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GENERAL

Reagan loses policy adviser

Mr. Richard Allen, chief foreign pellcy adviser in Mr. Ronald Reagan, yesterday resigned his campaign post amid allegations about his business activities. Mr. Allen, a candidate for the job of National Security Adviser

If Mr. Reagan wins the presidential election, said the charges—arising from articles in Wall Street Journal ahout his relationship with Japanese businessmen since he worked in the Nixon White House-were "shot full of holes."

Colleagues said he resigned to avoid hecoming an election

Meanwhile, ss the campaien for the presidency neared its end, Mr. Reagan secused Presi-dent Carter of inability to handle the economy, while Mr. Carter accused him of heing misguided on foreign policy, social and racial issues. Back Page; Page 6 .

Ecevit resigns

Bulent Ecevit, former Turkish Prime Minister, resigned as leader of the social democratic Republican People's Party, He spent four weeks in exile after last month's army coup. Page 2

Royal gratitude

In a friendly farewell message, the Queen referred to King Hassan's "extremely warm and generous hospitality" and thanked him for his personal interest" in ber Moroccan visit.

Hostage boycott

Planned discussion of the U.S. iostages was ahandoned when o boycott by about 20 Deputies left the Iraniao Mailis (Parliament) short of a quorum. Page

PC loses job

C Stephen Hickling, 19, who ost bis arm in a bomh explotion at a London police station his year, has been discharged from the force for medical rea-

Race law reform

weeping changes to South drica's race laws, tightening iffux control but making hlack orkers more mobile in cities, ere proposed in draft Bills.

errorist suspect

olice said two Italians held ter a raid on a London restirant were not responsible for e Bologna railway station umb, hut one was wanted for Iradition to Italy on terrorist

eking blast

bomb blast at Peking railway ation which killed nine and irt 81 was apparently a ter-rist act, the first in China for any years. Page 3

en Bella freed

gerian President Chadli njedid has lifted restrictions the freedom of the country's president, Ahmed Ben He was imprisoned for years and recently under use arrest. Page 4

uel purpose

'icious" umbrella swnrdks carried by two London mond dealers were confised as offensive wespnns by assistrate. He was told they common protection among aci dealers against muggers.

rieffy . . .

uservatinnists dved 700 next week's snnual rmer Maltese Premier Dr. orge Borg Olivier died.

BUSINESS

Oils at all-time high; \$ improves

 EQUITIES: oils led an ntherwise uninspired market.
 The sector index reached an all-time bigb of 1,015.93, np 1.6 per cent, after analysts forecast crude prices would rise 20 per cent by the end of the yesr. The FT 30-sbare index closed 0.4 down at 492.8. Page 40

• G1LTS: the Government Securities Index closed 0.12 down at 71.30. Page 40

· WALL STREET was down 4.86 nesr the close at 924.32.

♦ DOLLAR improved generally, closing at DM 1.8980 (DM 1.8855), SwFr 1.7110 (SwFr 1.6960), and Y210.40 (Y2I0), cbccking its recent decline. The trade-weighted tndex rose tn 85.2 (84.9). Page 29

• STERLING closed 30 pnints down at \$2.4385, but its tradeweighted index was unchanged at 79.0, Page 29

● GOLD fell \$1 to \$642.50. Page 29

● MOROCCO was given a three year stand-by credit of \$1hn by International Monetary

 CHEMICAL industry leaders warned the Government to decide before Christmas on the use of North Sea gases as petrochemical raw materials, nr face losses of over £100m a year. Page 11

• ENERGY consumption in the June-August quarter fell 6.6 per cent against the same period in 1279. Page 11

• STEEL committee of the OECD said Western companies have cut 100,000 jobs this year, and predicted more reduodancies soon. Page 2

Germany rose 60.7 per cent.

■ CONSUMERS' Association started a campaign against tighter controls on textile imports. Page 11. French companies plan merger, Page 32

O VISA, the international banking group, is expanding tis UK travellers cheque operation through the Trustee Savings Bank, which will issue its own sterling cheques from Monday.

 1VECO. Europe's second largest commercial vehicle group, said managing director Frank Tinsdale has resigned.

Page 10 UDS retailing group is to close 110 menswear shops, with the loss of 500 jobs, and will

Alexandre chains. Back Page • INTERNATIONAL. HAR-VESTER, the U.S. tractor manufacturer has introduced a one day weck at two UK plants.

• QANTAS arranged a A\$106.7m (£51.2m) leverage leasing package, Australia's lsrgest, 10 finance aircraft pur-

chases. Page 32 KLM-Royal Dutch Airlines

expects to make a loss this year, the first for five years.

 COATS PATONS, 1extile group, reported interim profits down from £31.05m to £26.68m before tax. Page 24, and Lex, Back Page

· WILLIAM PRESS and Son, mechanical engineering con-tractor, said first-half taxable profits fell from £4.73m to £3.21m. Page 24

knew grey seal pups red to . J. HEPWORTH and Son, mulliple tailor, announced pre-lax profits down £0.88m for the year at £5.71m. Page 24, snd Lex, Back Page

HIEF PRICE CHANGES YESTERDAY

inces itt benee miners amera	INC INGLOSECTAL
RISES thority tovs 50 + 7 irtaulds 66 + 3 its Shipping £25 + 2 mbro Trust 138 + 7	MIM Hidgs
mbros	Western Deep5325 + 21 Western Mining 317 + 10
pworth (J.) 100 + 3 dine Mstheson. 255 + 27 an and Scoit 175 + 25 upons 44 + 3 en Owen 122 + 6 fe and Nolan 74 + 4 ga Holidays 212 + 9 adard Telephns 493 + 15 keley Explor. 253 + 7 mah Oil 208 + 7 D. Coni Gas 350 + 17 SMO S83 + 17	#ALLS Aurora Hidgs 28 — 3 Barratt Develops. 164 — 7 Berec Group
es Mining 70 + 5	Whilesale Fittings 235 - 35

Edwardes may try to force 6.8% settlement at BL

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SIR MICHAEL EDWARDES, the BL chairman, is expected to try to force through s 6.8 per cent pay deal in spite of its rejection by 35,000 workers at mass meetings yeslerday.
Prelimioary figures issued by

the company last night suggested that 35,000 workers at 15 plants had voted to reject the deal and pursue strike action, with nearly 31,000 st 19 plants in favour of acceptance. The extent of shop floor opposition, particularly at the Cowley, Oxford, plant, where the 11,000 production workers bad not heen expected to hack militant action, surprised union

leaders and militants. In what could prove a key test of Government efforts to hold down pay rises, there can be no mistaking the unrest among BL workers who feel they have accepted a series of low wage increases at a time of mounting inflation.
Mrs. Margaret Thatcher, the

Prime Minister, expressed concern in the Commons at the workers' decision. But she made clear the problems of BL would he left to Sir Michael and bis

He has already warned the workforce that the company has heen pushed to the limit and unions should not put jobs at risk hy striking. "There is not a penny more to be bad—and that means not a penny more."

HOW BL WORKERS VOTED

AGAINST

Longbridge, 15,000 Cowley assembly, 5000 Cowley body, 6,000 Cowley parts division, 1,100 SU Carburettors, Birmingham, 600 Beans Foundries, Tipton, 1,000 Drews Lane transmissions

Birmingham, 2,500 Land-Rover, Percy Road, Birmingham, 250 Birmingham, 250
Birmingham, 250
Dunstable, 200
Lianelli Pressing, 1,200 Beans Engineering, Birmingham, 100 Coventry Engines No. 2, 50 Swindon (TGWU only), 1,600 Cowley KD, 150 TOTAL 35,000

Heme] Hempstead, 600 Oxford Exhausts, 500 Rearsby, Leicestershire, 500 Rearsby, Leicestershire, S00
Canley Engines, Coventry, 1,400
Jaguar Engines, Coventry, 2,500
Land-Rover chassis, Garrison Street,
Birmingham, 750
Rover cars, Solihull, 2,500
Rover, Cardiff, 600
Jaguar assembly, Coventry, 5,000
Swindon (AUEW only), 1,000
Coventry Engines No. 2, 2,000
Coseley Engineering
Birmingham, 300
West Yorks Foundries, Leeds, 1,900
Butec Electric, Leyland, 250
Wellingborough Foundries, 450

Land-Rover, Solihult, 5,000 Land-Rover, Acocks Green,

Rirmingham 1,000

Birmingham, 1,500 Castle Bromwich, Birm

Land-Rover, Tyseley,

Alford and Alder,

Wellingborough Foundries, 450
*Speke, Liverpool, 1,000
Cowley body toolmakers, 1,300
TOTAL 30,700

* Vnted to reject pay offer but also to reject strike call.

Slr Micbael has a reputation for sticking to his word, and there is no apparent room for compromise. BL insisted, last night that while the management was prepared to talk to the unions at any time, "there is no way that there can be an

increase in the offer." . Union leaders and senior sbop stewards meet in Coventry on Monday, to assess support for the proposed strike in pursuit a 20 per cent pay rise.

Continued on Back Page

Brezhnev supports Polish co-operation with unions

Poland's present policies of cooperation with the new independent unions.

Polish television news and the Soviet news agency Tass both reported last night that Mr. Leonid Brezhnev, the Soviet president, had "expressed the confidence of all Soviet Communists and of Soviet society that the Polisb. working class will resolve its acute political and economic problems."

The Polish TV commentary said that the meeting between the two leaders took place in an atmosphere "of sincerity and complete unity of views."

It also reported that economic matters played a large part in sppointed the Moscow discussions, and that the Polish side "had prethe loss of 500 jobs, and will sented suggestions to ensure merge its John Collier and fuller utilisation of Polish industrial potential." Observers here bear-hug emhrace.

BY CHRISTOPHER BOBINSKI AND ANTHONY ROBINSON IN WARSAW

MR. STANISLAV KANIA, the interpreted this as a request earliei

tion that Mr. Kania had been summoned to Moscow, the Poles said the meeting took place at Mr. Kania's request. The Polish leaders are believed to bave expressed their concern at the latest East German restrictions

Union unrest spurs impatience: E. Germany makes Kania task difficult, Page 2

on Polish-East German travel and reports that Czechoslovakia was about to do the same. Leading members of Soviet Politburo, beaded by Mr. Brezhnev and Mr. Nikolai Tikhonov. the recently

Tikhonov. . Prime Minister. turned out at . Moscow airport to welcome Mr. Kania and Mr. Jozef Pinkovski, the Polish Premier, with the traditional

The visit was Mr. Kania's ancies soon. Page 2

Polish Communist Party leader, for further Soviet supplies of first to the Soviet Union since food and of raw materials he took over the party leader-to the UK fell 37 per cent in September. Exports to West of the Soviet leadership for Contrary to earlier specula. first to the Soviet Union since

The Polish leaders Warsaw early yesterday and arrived back soon after lunch. In time to prepare for today's crucial meeting between the Prime Minister and the independent trade union leadership.

The trade union leaders, headed by Mr. Lech Walesa, were also meeting in Warsaw night to prepare their position.

The unions have prepared a 10-point programme of requests, which the five most important are full legal registration on the union's terms, the right to a trado union newspaper and access to the hroadcast media, the registration of an independ ent farmers' union, more equitable distribution of wage increases, and a halt to the deteriorating, situation in tha

Toyota sales profits declining

FALLING prefits at Toyota Motor Sales, the company re-sponsible for world-wide sales of Japan's largest car manufacturer, suggests that the Japanese motor industry may he entering a more difficult phase.

Mr. Sadszo Yamamoto, president of Toyota Sales, predicted yesterday that the company's after tax profit in the year ending March 31, 1981 would be down from Y34.3hn (£66.9m) to Y31bn (£60.4m). He noted that dropping and feared that mounting protectionism abroad could slow export sales as well.

In the first half of Toyola Sales' business year, Japanese

to 770,462 units. But this waa more than compensated for by a 40.1 per cent rise in export sales to 916,499 units, to produce overall sales of 1.69m units-an increase of 13.2 per cent on the first half of the previous year. Toyota's exports to West

Germany, more than doubled to 32,049 units. This total was matched by sales of 35,372 to Iraq, which bad placed a isrge order for immediate delivery. Sales to Saudi Arahia rose hy 36 per cent to 72,094 units and exports to the U.S. were up hy 21 per cent to 348,700 units. Despite the export-led rise in sales, Toyota Sales' profit in the

sales, dropped by 7.9 per cent first half dropped by 2.2 per cent to Y17.3bn after tax, taking earninga per share down from Y46.62 to Y42.26. The company said that during the period its earnings were hit by a foreign exchange loss of Y6.5bn because of the strength of the yen, an increase of Y5.5hn in interest costs, and a Y38.6hn increase in freight costs associated with the export drive.

Total sales for the first six months were Y1,831bn, up 16.5 per cent from Y1,572bn a yeer eerlier. Toyota Motor Sales is an

associate company roughly 42 per cent owned by Toyota Motor, the manufacturer.

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Further sign of recovery in U.S.

By Jurek Martin, U.S. Editor, in

FURTHER EVIDENCE of the from its summer recession came yesterdsy in the anouncement that the Government's Index of Lesding Economic Indicators had risen by 2.4 per cent in September over the August

The rise is the fourth in a row, after nearly a year of monthly falls. Designed to project future economic sclivity, the index's rule of thumb is that if it moves up or down for a minimum of three consecutive months a new econo-mic trend has been established. The index is probably too obtruse to have much political impsct on the Presidential election next Tuesday. Although it tends to bolster President Jimmy Carter's case that the economy has turned round, he has generally tried to avaid an economic dehate with Mr. Ronald Reagan, because too many of the other numbers (inflation and unemployment) can be more effectively used by

his challenger. But the rise in the index may aggravate the pre-election ten-sion already evident on Wall Street. The markets are concerned that if the evidence of economic recovery is com-pounded today by a further surge in the money supply the Federal Reserve may have no alternative but to tighten credit, push up interest rates again and thus risk choking off the

On the Wednesday the com-mercial banks lifted their prime lending rates to 141 per cent, an action delayed by 24 hours because the banks were unwill-lng to do anything controverslal Immediately before Tuesday night's televised debalc between Mr. Carter and Mr. Reagan.

September's rise in the index, according to the Commerce Department's preliminary figures, follows a revised 1.7 per cent advance in Angust and a record 3.6 per cent rise in July.

The blggest contributor in the September figures was the lmprovement in the worker lay-off rate. Seven of the other nine available components also pointed to recovery.

£ in New York nct. as previsus

oot \$2,4375.4325 52,4360.4370 ooth 0,57-0,52dts 0,47-0,41 dis ooths 1,00-0,25 dis 0,22-0,26 dis ooths-1,80-1,70 dis 1,45-1,52 dis

Cabinet may be split on further cuts

BY RICHARD EVANS, LOBBY EDITOR

FIERCE rearguard fight by departmental Ministers over Tressury demands for further public expenditure cuts of more than £2hn is being planned at a speics! Cabinet meeting called by Mrs. Thatcher for next Tuesday.
This fullows a 3! bour Cabinet

meeting yesterday when Ministers discussed the subject of the substantial further cuts required for next year, which threaten to divide deeply both the Cabinet and Conservative backbenchers.

No decisions were reached but it was clear afterwards that the Ministers whose departmental budgets are most affected are not accepting individual Treasury demands as institucil or the battle as lost. The over-all strategy o nihe need for further cuts was apparently accepted, hul the means by which this is to be achieved remains in he decided. Tensions within the Cabinet

are more acute than at any time since the May, 1979, election, and the outcome of the negotiations over the next few weeks will determine the future direction of the Government, it is possible that Ministers will not he able to agree on a range of cuts that will amount to the <u>Iotai</u> demanded hy the Treasury. Several more Cahinet meet-

Tuesday because of the complexity of the Issues and the now being forced into bank-likely scale of the resistance, rupley. But the target date for completion of the review is the

third week of November.

There is no sign of Cahioel resignations but these could he in prospect if Treasury in prospect if Treasury
Mioisters win their haille Io
cut the defence budget by
£400m to £500m.

The other vulnerable areas are social security, including unemployment and henefit, prescription charges, housing construction, higher education and oversea/ aid.

The Government has already pledged to cut a further \$1.5bn from the \$281.92 projected public spending total But this will have to be exceeded because of the extra cost of 5)r. Prior's proposals on youth employment, amounting to about £350m, and the additional cost of noempleyment banefit. The anxiety on the Tory back benefies was shown in com-

The Government is likely in keep its present monetary target until next year rather then seek a partial relaxation of the current squeeze: Book Price, Commons defence committee asks Ministry to hand over copies of spending documents; Page 12

otents from Mr. Edward Heath. former party leader, made to Manchester businessmen yester-

In his must outspoken condemnation so far of Mrs. Thatcher's economic strategy he said: "Your problems are greater than at any time since the 1930s. It can't be right that lngs will be required after next we see small businesses built up by hard work over generations

> "It can't be right that great firms, among the most efficient in the western world, should find they are making losses because they cannot export hecause of the rate of the pound. . . Neither of these things can be right la the world

Joseph in £1m share deal

politan, the hotels and brewlog group, has raised just over £1m personal bolding-over the past

Mr. Joseph was not available to comment on the sale yesterday but a spokesman said that it had been made to repay personal bank loans."

Part of the stake was sold

MR. MAXWELL JOSEPH, shares closed in the tuarket chairman of Grand Metro-yesterday. Earlier this week, Mr. Joseph from selling 646,000 Grand Met by which he staods to raise just sbsres—about 10 per cent of his over £5m. He announced his personal bolding—over the past lotention of accepting an offer from Transport Development Group for bis 23 per cent stake in Gillspur, an industrial holding company of which he was

board member. His decision surprised the at 164p and the remainder at market as Giltspur's Board bad 165p, the price at which the voted to reject TDG's offer,

once chairman and is still a

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FTWP31/10 IT

Poland tries to calm Moscow's suspicions

BY ANTHONY ROBINSON IN WARSAW

THE FIRST visit to Moscow by agreements of August 31 and to be a fleeting affair which legal status. brought him back to Warsaw

of the Kremlin, but rather at his pressing for strike action. own request to explain the Polish position at a crucial stage in negotiations between the party, the Covernment and the new. independent trade unions.

For over two months the Soviet Union and its allies have stayed on the sidelines watching dismemberment of the official trade union structure and the growth of a new move-ment independent of party control. Over the past 10 days or 50, however, they have been ahowing increasing signs of impatience and suspicion,

the angry trade union reaction the Solidarity union specifically of the party in the state.

that it is in conformity with the the Prime Minister, refused to Poland at a time when a crucial unions hut co-operate with them of Pospirit of the famous Gdansk remove the offending clause at bargaining session affecting the for the good of Poland as a tract."

Mr. Stanislaw Kania since his that the Covernment has kept appointment as leader of the its part of the bargain hy regis-Polish Communist Party proved tering the union and giving it

The union leaders, and their only hours after his departure. worker members, think other-There was bardly time for a wise. But while the labour full-scale examination of the movement in general considers Polish situation by the Soviet itself to bave been shortleadership. This alone lends changed by the Government, credence to Polish officials insis- there is considerable disagreetence that Mr. Kania went to ment over how to respond. The Moscow, not at the urgent behest more militant sections are

> Some 35, of the 39 speakers at Tuesday's heated union meeting in Gdansk argued for a cautious approach and against the strike action threatened by more militant groups. The militants are headed by the Gdansk presidium, whose head-quarters in the Hotel Morski isthe nerve-centre of the new union movement. The emergence of different

strands of opinion within the union movement appears to have confused the former clear The catalyst for this change and simple ideas which gave of mood appears to have been such force to the movement's hitherto undisputed leader, to the arbitrary insertion of a Mr. Lech Walesa. After arguing new clause into the statutes of atrongly for moderation during his triumphant tour of southern acknowledging the leading role Poland last week, M. Walesa eventually came down on the Polish officials in Warsaw are aide of those who argued that at pains to play down the signifi- the union should threaten a cance of this clause. They insist strike if Mr. Josef Pinkowski,

Prague keeps up pressure

BY OUR VIENNA CORRESPONDENT

LEADING CZECHOSLOVAK officials in Prague have again drawn a parallel between recent events in Poland and those of "anti-Socialist forces"

during the 1968 Czech crisls. Mr. Karel Hoi Hoffmanu, Czechoslovak Pniitburo member and chairman of the country's trade union council, has sharply attacked the largest independent · Pollsh

union, Salidarity.

The Communist party's top ldeological official, Mr. Jan Fojtik, also warned in a recent statement to the Communist International conference in East Berlin that the class enemy was trying to exploit the mistakea of the former Polish leadership for an attack on Socialism and Marxism-Leninism.

The statements come after three days of consultations hetween the Prague leadership and Mr. Andrel Kirllenko, secretary of the Soviet Central Committee: and one of President Leonid Brezhnev's closest colleagues in the Soviet polithuro.

The nfficial trade unlen newspaper, Prace, also stated that the new Polish union movement threatened to manipulate the masses against their interests, violate lawa and abuse the confidence of working people.

the meeting in Warsaw future of unio-Covernment rela-scheduled for today.

goods for export that Mr. a potentially key element in Kania was invited to Moscow what is described as "Poland's yesterday. The timing was renewal within the framework highly significant. It under- of Socialism." Warsaw's desire to secure Soviet

It is against a background of According to bigbly placed nervous neighbours, dissent officials here, the Polish party within union ranks and growing is united in its acceptance of the shortages in the shops and of new trade union movement as

"We emphatically do not understanding for cyclits in want to fight the new trade ters and the other ingredients. Poland at a time when a crucial unions hut co-operate with them of Poland's putative "social con-

whole. We believe that if we Poles succeeded this, we will have a beneficial effect not only on Poland but on the entire international situation and on East-West relations," a top Polish official told British jour-nalists accompanying Lord Gar-rington, the British Foreign Secretary, on his current visit to Hungary and Poland.

Today's talks between Government and unions in Warsaw were considered critical even before the Polish leader's trip to Moscow. The stakes bave now been raised even further and the pressure on the union negotiators to find a compromise has hecome that much stronger.

For its part, the meeting of the Polish party polithuro which Mr. Kania's tripto Moscow gave preceded the announcement of unmistakably clear signals that the "reformist" elements within the party who want to work with the new unions are in the ascendant. In return for acceptance of the "party supremacy" clause, pending a judgment on its validity by the Supreme Court, the party has clearly indicated its willingness to accept the full legal status of the new unions iocreased access to the media, regular meetings between Covernment, party and union officials. consultation over economic and other policy mat-

East German warnings make Kania's task difficult

BY LESLIE COLITT IN BERLIN



Mr. Kania: Caught between Moscow and unions

of Issuing warning about de- has said it fully supports the velopments in Poland,

The East German leader, raised fears over the Warsaw Pact's intentions towards Poland by saving East Cermany and Its friends would "make sure" that Poland remains a loyal ally.

He said Poland was con-fronted with the subversive activities of anti-socialist forces" and noted that East peoples' power."

Such militancy on the parl of East Berlin places the Polish Communist Party under Mr. Stanislaw Kanta in a difficult position. On the one hand he has been handed the job by Moscow to cuth the power of Germao television. problems the independent trade union This angered the East Ger. socialism. movement. But in order to avoid man communists hecause mil-

left to its hardline allies the task. Poland, the Polish leadership new unions.

East Germany's repeated Herr Erich Honecker, recently attacks on the new unions for being "anti-socialist" is seen hy Polish officials as serving to unite all Poles both inside and outside the Communist Party.

Moreover. East Cermany's move on Wednesday to clamp down on private travel between the two countries-designed to prevent East Germans from he-Germany would remain "for- ing influenced by what their ever" at the side of Poles country's leadership ealis struggling to consolidate the "counter revolutionary elements" in Poland-has awakened old animosities between

Warsaw and East Berlin.
A high-ranking Polish Comounist official, Mr. Eugenlusz Guz, expressed Poland's resentment in an Interview with West

West German TV for informa-

Mr. Guz said the horder restrictions had been imposed cotirely at East Germany's insistence and that the Polish authorities "greatly regretted" the step. He aaid many Poles had reacted emotionally to the East German restrictions, East Cermany's- reasons for

the restrictions also aroused strong Polish emotions. A commentary published in all East German newspapers said the temporary" border measures. would last until the "situation in Peoples' Poland was stabilised." It noted that the Potish communists and all are limiting access to Czecho"genuine Polish patriots". Slovalda and travel to Poland
could count on East Cermany's has effectively ended. ing Poland's complicated problems and in strengthening

To Polish ears this sounded

The Soviet Union has largely further labour upheavala in linns of East Cermans rely on as if East Cermany was passing left to its hardline allies the lask. Poland, the Polish leadership West German TV for information judgment on political developments in Poland and will try to Influence them,

> Under the new border restrictions, East Cermans and Poles can now only cross their joint frontier after producing an invitation from friends or relatives in the other country which has been endorsed by East German police.

For East Germans, who are unable to travel to the West until retlrement age, visa-free travel to Polaod, and Gzechoslovakia since 1972 had helped them to feel less locked up inside their owo small country.

Ecevit ! Turkish politics

MR. BULENT ECEVIT, the former Turkish Prime Minister, vesterday left active politics indefinitely when he resigned as leader of the social democratic Republican People's Party.

Mr. Ecevit, who has been one of Turkey's most prominent political figures for the past 20 years, is believed to possible political reforms proposed by the military government

The new military government announced this week that it was considering legislation which would place a limit on how long politicians could serve as party leader. Mr. Ecevit has been chairman of the RPP since 1972. Mr. Ecevit was detained

with Turkey's other three top politicians after the military conp which aimed to halt growing political violence Mr. Ecevit, 55, served as

prime minister three timesin 1974 for nine months, in 1977 for one month and from January 1978 to the end nf The effect of the proposed

legislation would be tn prevent most of the present political party leaders from resuming their posts once government restored. Several of them are at present in jail including Professor Neemettin Erbakan and retired Colonel Alparsian

Throughout that period Turkish politics were dominated by a power struggle between Mr. Ecevit and Mr. Suleyman Demirel, leader of the Right-wing Justice Party who led the government which was overthrown in the

Mr. Demirel has so far made no comment on his own political future. Mr. Ecevit said in a written

statement announcing his resignation: "I decided to make my departure now as it seemed it would be inevitable in any case."

General Haydar Saltik, General Secretary of the rul-Ing National Security Council, said after Mr. Ecevit and Mr. Demirel were released from their month long dentention that they would be treated like any other Turkish citizens as regards their future political activity.

EEC announces \$10bn oil facility details

pean Commission.

pected, for the facility's present ceiling of \$3hn to be increased to \$10bn and include the potentially controversial provision for possible stiff conditions to be placed on the recipient coun-

Under the facility, which was first established in 1975, the Enropean Community can lend money to member countrica auffering large halance of payments deficits related to energy

The new proposals do not specify where the money is to be raised, suggesting only that funds might he raised from third countries, financial institutions and capital markets." But it is probable that the Community would go directly to oil-producing nations, hefore resorting to world capital markets.

It is uncertain when the plan rould oe put into effect. The Commission would like to present it for approval by the Council of Finance Ministers as soon as possible. However, the proposals must first he reviewed by the EEC Monetary Committee and the European Parliament. The next Finance Council

is set for November 17. Nevertheless, the Commission is confident of eventual approval since, as a spokesman said yesterday, there "was a strong consensus at the Council meet-

ing in April."

A DETAILED plan for an ex- on the subject of "conditionpanded "oil facility" to help ality," leaving all decisions to EEG countries in halance of the Council of Ministers at the payments difficulties was pro- time the facility might be taken posed yesterday by the Euro- up by a member-country, it does include possibilities for further The proposals call, as ex- Community involvement in member-countries' domestic eco-

nomic policies. The plan proposes that the Gouncil ahall decide "the ecnnomic policy conditions attaching to the loan (and) the techniques for disbursing the loan which may be paid in one amount or in several instalments: in the latter case, the payment of auccessive instalments may be subject to compliance with economic policy

conditions." The proposals also state that where a member state receives a loan, the Commissinn, in consultation with the Monetary Committee, shall take the necessary measures to verify, at regular intervals, that the economic policy of this State accords with the conditions laid down by the Council,

"And, where appropriate, shall pay the successive instal-menta on the basis of the deve lopment of the adjustment programme. To this end, the member state shall place all the necessary information at the disposal of the Commission, adjustments to be made to the initial economic policy conditions.'

The Monetary Committee has indicated in the past that it favours a range of lending con-However, while the document ditions that would relate to the presented yesterday was vague recipient's problems.

Sweden to close shipyard

BY OUR STOCKHOLM CORRESPONDENT

THE directors of Sweden's of the ailing Oresund yard in union opposition.

The decision had been expected, and the close down is expected to begin immediately and be completed in 1983 at the two hulk carriers and two ferries whoch are expected to fill capacity until the middle of next year.

At present, only about 900 of state-owned shipyard group, the yard's 2,300 strong work Svenska Vary, voted yesterday force are actively working and to press ahead with the closure the question now is how much money the board cao secure Landskrona, despite strong from the government for union opposition. be seeking an Initial SKr 600m (258m). The yard is Landskrona's only major industrial

> The decision comes despite the failure of the government, which has, only a one vote majority, to secure parliamentary approval for the closure

OECD forecasts further steel job losses

BY TERRY DODSWORTH IN PARIS

THE CURRENT crisis in the in orany of the main OECD Western steel-making industry countries was still falling.
has already forced companies in The figures come on the eye the U.S. and Europe to axe of talks in Luxembourg aimed

This gloomy outlook emerged yesterday from a meeting of the Organisation for Economic Cooperation and Development's steel committee, which said that the industry was now in the grip of the record worst production. of the second worst production up two years ago to act as a

100,000 jobs during the course of this year, and will lead in considerable further reductions in the next few months.

at setting national production quotas for the European industry. They show that the current round of job cuts has

slump sinre World War 2. forum for Western governments
Thtal steel output in the in their cfforts to co-ordinate
OECD area in the third quarter the ratinalisation of production was 15 per cent below the same which was going on throughout period last year, while demand the industry.

One of us is

a major Canadian producer of oil

and gas.

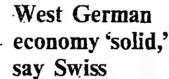
Special Trade Representative, and bring capacity more in line with long-term demand. The current decline in pro-

duction mainly reflects reduced at restructuring demand for steel within the OECD area. But as well as reduced demand there is a continuing need for structural change in the industry. Mr. Hormats stressed the rommittee's view that reorgani-

Following yesterday's meet- an lotegral part of any action inc. Mr. Boh Hormats, com- to limit free trade in steel mittee chalrman and U.S. deputy within the OECD area. The recent American decision

said that the committee had to bring back the trigger price agreed that the present situ-atinn underlined the need to imports, has been well received accelerate this reorganisation by other countries, he added. The U.S. administration has made it clear that the steps would be accompanied by efforts

Similarly, the U.S. has indicated in European countries that the proposed Luxembourg measures are acceptable, but exports to America, or undue restrictions on European sation of the industry must be



SWITZERLAND accs no lasting weakness in the D-Mark's exchange rate, and has seen no

He attributed the current situation in the difference hetween U.S. and West German interest rates, and stressed the "solidity and equilibrium" of

In the first three quarters of this year, the Natinnal Bank had sold a total of SwFr 7.4bn-worth (£1.8bn) or dollars for general intervention purposes. Of this sum, SwFr 5.9bn was accounted for alone by the first quarter, when the Swiss franc itself was

at the rapid growth of this sector

denominated in Swiss francs. FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$355.00 per annum.

By John Wicks in Zurich

reason to participate in inter-ventions to support it, Dr. Pierre Languetin, speaking for the Swiss National Bank's directorate, said in Berne yesterday.

the West German economy.

Dr. Fritz Leutwiler, the hank president, said the National Bank had been asked by the Federal Council which form of possible future "bank client tax" would have least economic and mooetary disadvantages. The least disadvantageous atternative would be the intro-duction of a "limited" with-holding tax on fiduciary accounts. The National Bank was starting to feel concerned

But the bank was decidedly opposed to the suggested im-position of a 35 per cent withholding tax on domestic holders of foreign bonds

NETHERLANDS DECEMBER 8 1980

The Financial Times proposes to publish a survey on the Netherlands in its edition of December 8 1980. The provisional editorial synopsis is set out below:

A FINANCIAL TIMES SURVEY

INTRODUCTION The Government has survived a number of crises over issues such as the modernisation of nuclear weapons and a proposed embargo on oil exports to South Africa. Despite its narrow parliamentary majority it has almost lasted its full term and faces a general election in May. The Netherlands' pressing economic problems seem certain to play a major part in the election campaign.

Editorial coverage will also include:

POLITICS The Christian Democrats and Liberals have formed a surprisingly effective coalition government over the past three years though Conservative cabinet policies have alienated the Christian Democrats' large Left-wing. While the Christian Democrats have done well in recent polls the Liberals have been less successful. The Labour Party is keen to regain the place in government it feels it was cheated of in 1977.

THE ECONOMY The Netherlands has managed its economy more successfully than most of its neighbours though it is starting to feel the effects of the world recession.

FOREIGN POLICY The Dutch would like to conduct an idealistic foreign policy but find themselves restricted by their limited influence on world events.

ENERGY The Netherlands is making slow progress towards defining its energy strategies for the coming decades.

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EUROPE'S BUSINESS NEWSPAPER

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mound

OVERSEAS NEWS

Rupert Cornwell in Rome assesses Italy's 40th post-war Government

Another fragile political child is born

POLITICS IS no exception to the general rule of Italian life that numbers on their own are not to be trusted. So it has proved with the launch of the new Government of Sig. Arnaldo Forlani, the 40th administration formed here sonce the end of the Second World War.

His theoretical parliamentary majorities, of 188 to 120 in the Senate, and of 362 to 250 in the Chamber of Deputies, might make Mrs. Margaret Thatcher of Britain or Chaocellor Helmut Schmidt of West Germany envious. Yet the early signs are that, despite the Government's mroad base, this latest coalition of Christian Democrats. Soci-alisls. Social Democrats and left formula of the mid-1960s and early 1970s—may be as fragile a creature as most of its

The enthronement of Government is part of a peculiarly bewildering period in potitics here, an instructive lesson on how unwise it is to make any prediction with a life span of more than 24 hours. A monht ago. Sig. Forlani's predccessor as Prime Minister. Sig. Francesco Cossiga, fell victim lo a parliamentary amhush. The Communist Party was rampant, the Fiat crisis was in full swing, and events then seemed a severe setback for the ambitions of Sig. Bettino Craxi, the Socialist secretary, to establish his party as a real third force in Italian polltics.

Then everything was turned upside down. What looked one of the trickiest crises of recent times was settled with great acumen by Sig. Forlani, the and where the historical divi-fiat dispute was suddenly resions between Catholic and antisolved in a way which threw the clerical parties have never been Communists into disarray. Sig. healed. Meanwhile, yet another Craxl. for his part, struck hack scandal, this time over alleged with the energy and ruthless fraud worth possibly 12,000bn with the energy and ruthless fraud worth possibly L2,000bn ness which are his hallmark. t£914m) over unpaid duty on The rebellious Socialist left was routed from the party's higher ing away. Its consequences are councils, and an alliance was uppredictable.

petroleum products, is simmer glia, the powerful Christian Democrat Industry Minister, has already issued a blanket denial forged with the smaller Social



Sig. Craxi: energy and ruthlessness are his heller

grouping, less conditioned by Italy's two political supervers, the Christian Democrats and Communists. But that was a week ago.

Since then, things have gone haywire again. Sig. Craxi used his speech in the confidence debate to reopen the argument on abortion, a topic which is dynamite in a country where the Vatican is just two kilometres from the national Parliament,

These swings and round-Democrats, which might he the abouts are, of course, a conse-Press is in full cry after the first-step lowards a new centrist queoce of the general election supposed political "godfathers"

no party scored a clear-cut vic-tory or suffered a clear-cut. At a more i defeat. Indeed, Sig. Forlani, is symptomatic one of the wisest of the present Christian Democrat leaders, has been well aware of this, and only with some difficulty was be persuaded to give up the safe and infinential position of party president to take on the in-finitely risky post of Prime

the somhre, pessimistic speech he made on Wednesday night, winding up the Senate dehata on his government. Sig. Forlani warned of a world walking on the edge of catastrophe, and of an Italy which should pay close heed to what has happened in Chile and Turkey, not to mention the gathering economic difficulties which the new Government is due to tackle any day now. Most ominous of all, perbaps, was the fact that be felt obliged to appeal for unity hetween the four coalition parties, without even the few weeks of honeymoon which an incoming government usually year enjoys. The reasons, bowever,

were clear. Sig. Craxi's onslaught on the Church for its encouragement of the move to put the existing 1978 abortion law to a referendum, for which 2m signatures have already heen gathered, is plainly an attempt to distance between the Catholics and the "lay" centrists he hopes will propel bim one day to the Prime Ministership.

Even a more disciplined Socialist Party is therefore likely to be as uncomfortable an ally for the Christian Demo-crats as ever. The oil aaffir, for its part, has proved that scandals, like sbort-lived governments, are a constant of Italian political life. The exact motives behind this one are noi yet clear. But Sig. Antonio Bisaof any involvement, and the

At a more mundane level, i

is symptomatic that nearly five

months after last June's local elections, several regional governments bave yet 10 be formed. In Calabria and Sarelections. dinia, two of the most econo-mically depressed regions, a veto from Christian Democrat headquarters in Rome has ovar-ridden the wishes of the local party's wish to join forces with the Communists to tackle acute local problems. This could easily exacerbata divi-sions not only between Christian Democrats and Communists nationally, but also between factions within the ruling

Such is the uncomfortable inberitance of Sig. Forlani. Its most prickly part almost certainly will be abortion. Indeed, some are already drawing the parallel between events now and in 1976, when the desire to avoid a divisive referendum on the subject was an ingredient in the early general elections that

Could history repeat itself? playing his remarks, and the Prime Minister has vowed to try to keep his government above the fray. "Some people may think Paris is worth a Mass," be observed in his speech. "But there are other, better people for whom a Mass or otherwise is worth far more than Paris." The best hope of avoiding a referendum perbaps lles in an agreed new Bill to amend the existing, moderately permissive, legislation. But that, too, will be

difficult. In the meantime, although predictions are impossible, simple arithmetic might suggest that a general election may come in 1981. Once, Parliaments lasted their full five years, then four years, then in the case of the 1976 one, just three. The lifespan of the 1979 Parliament might thus be simply calculated.

Nine killed in Peking station explosion

TERRORISM has apparently come to China with a blast at Peking Railway Station, which killed nine people and wouoded 81 others, Tony Walker reports. Xinhua. Chlna's official news ageocy reported that the blast had been caused "by an explosive charge brought into the railway station by an unknown person." This is the first known person." This is the first recorded act of terrorism in the People's Republic for a number

The brief agency despatch said the blast occurred on the second floor of the station. One man died on the spot. According to the agency report, the railway station was only lightly damaged, and trains kept running as normal. No motive for the bombing was suggested.

Sihanouk leaves China

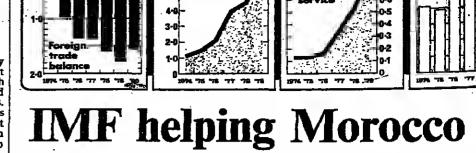
Prince Norodom Sihanouk, the former Kampuchean haad of state. left Peking for Pyongyang, North Korea, yesterday, reaffirming that he would remain exiled in China and North Former and the state of the North Korea, and stay com-pletely out of politics, Reuter

Korea students held

least six studenls were arrested after riot police wield-ing batons charged a crowd of 250 demonstrators calling for the resignation of President Chun Doo-Hwan, at Yonsei Universily yesterday, Reuter reports from Seoul.

Diego Garcia, anger

Sir Seewoosagar Ramgoolam Mauritius' Prime Minister, yesterday attacked as "unreasonable" Britain's rejection of his call for the return of Diego Garcia, the Indian Ocean island used as a military facility by the U.S., AP reports from New Delhi.



with payments problems

MOROCCO

International Monelary an economic depressioo. Fund has launched its secondlargest attempt to rescue a developing country facing severe balance-of-payments difficredit to Morocco. This follows the \$1.65bn credit for Turkey last June to help that country over severe balance-of-payments and debtrescheduling difficulties.

High defence spending because of the Western Sahara war, which started in October 1974 and shows no sign of ending, rising oil prices, and declining world prices hetween 1976 and 1979 for phospbales, Morocco's main export, have combined to make life difficult for Morocco's planners and bankers.

The prublems were aggra-vated during the last five-year development plan (1973-1977). when the planners gambled that they could increase capital investment sharply even after the abrupt rise in the price of nil and the fall in the price of

phosphates. The brakes were slammed on in the summer of 1978, and imports were severely curtailed. Prices were also increased for

The Fund's stand-by credit is part of a larger agreement providing balance-of-payments support to Morocco. It will be culties, by giving a three-year financed from the Fund's SDR S10m (S1bn) stand-by ordinary resources (SDR 210m) and from borrowings in the supplementary financing facility

(SDR 600m). The kingdom will

also draw its first credit tranche with the Fund, which amounts

to SDR 37.5m. Morocco will

thus have at its disposal a total of SDR 847.5m. The kingdom's payments deficit has grown steadily in the past seveo years. The current account deficit alone more than doubled between 1975 and 1979. to Dirhams 6hn (\$1.6bn),

could be as high as \$1.8bn this

year, representing 9 per cent of

gross domestic product. Despite a 46 per cent increase in exports during the first six months of 1980, the trade deficit bas increased slightly to Dh 3.5bn (\$875m), hat the Moroccan authorilies bope to hold the deficit for the year to \$1.25bn.

Morocco's hard currency reserves, which have never heen high enough for comfort in recent years, pluoged during the first nine months of 1980 from \$642m to an estimated most capital goods and staple \$270m, which covers about six products. The result has been weeks worth of imports.

Over the past six years, th creased more than five-fold. a projected \$7bn by the end 1980, while external public debt servicing is projected at \$937m for 1980. The deht service ratio. calculated as a percentage of exports and net transfer payments, has risen from 4.9 per cent in 1974 to 21.19 per cent last year. It is not expected to

move up much this year. The official external debt figures are believed to include all debt incurred on the mili-tary account which has a maturity of more than 12 months. They do not include shorter-term facilities, especially those made available by som Arab countries, adming them Saudi Arabia, which may be sub-stantial. Moroccan borrowers have so far arranged one \$250m Eurodollar credit this year and another \$150m is being completed. Just over a third of the external deht is accounted for by Eurocredit financing.

Morocco can derive som comfort from the near doubling of phosphate prices—to \$46 a ton—during the first six months of this year. But the war in the Sahara goes on and oil prices look likely to rise further. The economic cure could be long

Irish balance of payments deficit forecast to fall in short term

With the major components of expenditure — private consumption, investment and industrial exports—all appearing to the in decline, the halance of payone ments deficit could be lower than the live of the payments and the industrial exports—all appearing to the payments with the live of the payments of the payments of the payments. the 15630m (£560m) forecast in deficit the last bulletin. This compares
with the 12730m (£650m) is adhering to its earlier foreachieved in 1979. That level was cast of an IS.S per cent year-onconsidered to be unsustainable given that Ireland has reserves of only 1£970m and a gross for about half the rate of innational product of around crease in the last quarte so a IES.3bn (f7.4bn). fall in the rate was to be

the reduced deficit this year should not lead to misplaced with a fall-off in the rate that cent.

BY BRIJ KHINDARIA JN GENEVA

mond Barre, the French Prime Minister, said here.

ring surplus revenues from oil exporting nations to develop-

has to have limits or the inter-

GREEK CIVIL servants begin

a 48-honr strike today to back demands for automatic wage

and salary adjustments in line

with the cost of living and a five-day week. The co-ordinat-

ing committee of civil service

noions says the strike will involve 200,000 employees of

ministries, local authorities and public services, includ-ing school teachers.

tions nn a new collective

wage agreement opened yes-

icrday hetween the Greek

Meanwhile, annual negotia-

Private re-cycling of capital

terms on loans.

ing countries.

IRELAND'S BALANCE of pay confidence because the underments deficit is expected to fall lying balance of payments position the short term, along with tion is still out healthy. When casing of inflation providing agricultural destocking ends, there are no further sharp rises again subsequently, according to agricultural exports will be retained to the price of oil or in indirect that agricultural duced; says the bulletin, and taxes. when the rundown in non-

> On Inflation, the Bank says it year locrease on current trends. Indirect tax increases accounted

This is good news for Mr. Charles Haughey, the Irish Prime Minister, who faces the first critical test of his premier-ship in a by-election in Donegal on November 6.

Less cheering for him, however, is the Bank's forecast that Exchequer requirement will top Ir£1.1bn (£980m) compared with the budgeled figure of Ir£896m sector horrowing requirement of the order of 14 per cent. The The central Bank says that expected.

Government had promised to reduced deficit this year. The Bank seems to feel that, reduce it to around 7.4 per

BY STEWART DALBY IN DUBLIN

from the central bank.

N. Sea warning by Danish

worsen if the International \$22bu in official aid to develop-Monetary Fund expands ing countries last year com-Monetary I und expands ing countries last year, com-liquidity too quickly through its pared with about 15bn given by efforts to increase lending to oil exporters and less than \$200 all so far unexplored areas of developing countries, M. Ray-given by the Soviet Union and the Danish sector of the North its East European partners. M. Barre described as unrealistic a proposal made by the Brandt Commission to create an international tax

Addressing a private meeting at Geneva's School of loter-national Studies yesterday. M. Barre said the INF should exerwhose proceeds would be given cise great caution to the way in to poorer nations. which it uses recent reforms Developing countries should which allow it to raise more voluntarily control sensitive exports such as textiles and money and place less stringent steel to stem the industrialised protectionism," M M. Barre also called for prudence in giving commercial banks a larger role in transfer-

> Chairman's award

of the Midland Baok and The oil-exporting countries of the Midland Back and and East European countries former top Shell executive, is to receive the Commonder's Cross Merit next week, in recognition Co-operation and and friendship organisation,

towards

Barre said.

Government

By Hilary Barnes in Copenhagen

THE DANISH Government bas warned the A. P. Moeller company that it will use legislation to recover by 1985 the rights 10 Sea, if the company will not reach an agreement voluntarily.

Moeller bas a 50-year exclusive concession, signed in 1962,

to search for bydrocarbons in the Danish sector. It exercises the concession with the Danish Underground Consorlium which includes Shell, Chevron and Texaco.

The Government is believed to have presented a draft agree-menl lo the company under which 50 per cent of the unex plored areas would be returned on January 1, 1982, and the re-mainder on January 1, 1985. It also wants a gnarantee that all oil and condensates from North Sea oilfields will be piped to Denmark through a State-owned pipeline at a tariff to be set by the Government.

The State is further demanding a right to purchase half of all hydrocarhoos produced by the DUC at the going market price. It makes no claims to the oil and gas fields already found

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national banking system's solvency will he jeopardised," he Sir David Barran, chairman

IMF aid to Third World

WORLD-WIDE inflation will industrialised countries, gave

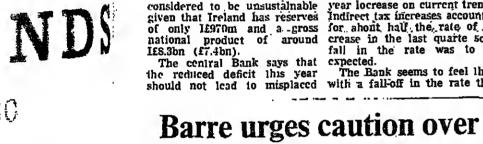
must shoulder a larger share of financial aid to the Third World, of the West German Order of Despite economic troubles, members of the Organisation for of his work for the research Development, which groups 24 the Anglo-German Foundation, by the consorting.

Civil servants strike in Greece BY VICTOR WALKER IN ATHENS

> sations in the private sector. The automatic link between incomes and inflation is top of the list of union demands.
> The Confederation has warned it, will call a 24-honr general strike if agreement has not been reached by the middle of November.

General Confederation of Labour and employer organi-

Today's stoppage by eivil servants coincides with a three-honr strike called by bank employees in the Athens area. They, too, are demandIng antomatic pay adjustment and threaten a series of nationwide two-day and three-day strikes next month. insistence of both public and private sector unions on tying incomes directly to the cost of living follows two successive years in which annual salary increases negotiated in percentage lerms have failed to keep pace with a 25 per cent inflating rate, and the admitted prospect that inflation will be at least as high in 1981.



EL STANGER

South Africa to streamline race laws

BY QUENTIN PEEL IN JOHANNESBURG

SWEEPING streamline South Africa's race apartheid system. laws and the massive bureaucracy which controls the lives were only allowed to stay in of all urban blacks in the urban areas if they had been country were proposed by Dr. born there, or worked there for Piet Koornhof, the Minister of at least 10 years for one em-Co-operation and Development, ployer-or else were simply

black workers more mobile lands—the new rules simply within urban areas, while stipulate that blacks in urban tightening the enforcement of areas must have a job and ade-influx control, which rations the quate housing. numbers of rural blacks allowed into "white South Africa."

At the same tlme, the South Africao Government published new rules for the extension and consolidation of the tribal homeeconomic rather than political priorities.

todey hy Dr. Koorohof's department, which is responsible for all regulations affecting the majority black possible for the maj ing the majority black population of South Africa, would scrap the present laws enforcing influx control, and replace them with restrictions based solely on employment and hous-

modernise and make more relatively freely.

CHANGES to economically efficient the whole

Whereas previously, blacks there as contract migrant They are aimed at making workers from the trihal home-

> They also propose to extend the present restriction on blacks visiting urhan areas from 72 hours to 30 days.

Dr. Koornhof said the reforms were intended to do away lands, intended to respect with the daily enforcement of pass laws, which result in some 700,000 prosecutions every year for technical offences. He pro-The three draft Bills published mised that the passes them-

The Bills also contain plans for black urban councils to be placed on a par with white councils—although still subject to a white bureancracy. Greater labour mobility will

The proposed reforms are number of black administrative intended to implement the areas from the present 600 to recommendations of the Riekert only 14—within which urban Commission, which sought to blacks will be allowed to move

Kaunda reports Pretoria tanks on Zambian border

BY MICHAEL HOLMAN IN LUSAKA

PRESIDENT Kenneth Kaunda alleged that a group of Zamof Zambia yesterda; clabnrated bians had bired a gang of on his claim that South Africa "Kanangese gendarmes" from had hacked efforts to overthrow Zaire to seize strategic installa-

thousand supporters in the leading Zamhian citizens and zrounds of State House that the three military officers are at South Africans had "tanks, troops and zrmoured cars"

Dr. Kaunda alleged that

the Zambian Government in tions on the night of October mid-October.

16. Zambian security forces He told a crnwd of several forestalled the plot. About 12

epposite the Zamhian border South Africa had helped arm town of Seshake, ready to move the gang. He told the crowd in support of the plotters. the ringleaders would appear Earlier this week Dr. Kaunda in court, but gave no date. Roger Matthews reports from the front in occupied Iran

sniper's reply to the fall of a city

weeks ago Iran's premier com-mercial port and bome for 300,000 people, is now a reporters

The first journalists to pene-

is still resistance from Iranian forces. The Iragis describe the south bank as Abadan, although ing fire. the centre of the oil-refining Slight town is some five miles from the most forward Iraqi positions on the northern bank. The refinery area is further south still.

Iranian anipers cootrol the vital 250-metre city-centre bridge in Khorramsbahr and no

The group of international devastated and still disputed city.

The structure of international in Khotramshahr seems to bave bank of the Karun yesterday to escaped the damage. Where

But on the southern bank of the Karun River, which bisects the dust near them and back to the town from east to west, there

into the roof of the civil only the occasional burned-out.
Governor's office which was and bullet-ridden car.
captured by the Aragis after
The interiors of once-prosper-

Scarcely a bonse or hailding confirm the often-repeated holes have not been blasted in Iraqi claims to bave captured the sides of huildings they have trate beyond the port area since the Gulf war began can confirm that Iraq is in command of the northern part of the town which it has re-named Mobammara.

But on the southern bank of the Karun River which bleasts the duet near them and bad to the trunk.

Iraqi claims to bave captured the same in the same of huildings they have captured the same in the same badly damaged by small-arms fire. The streets are pockmarked by shell blasts, nn-exploded mortar bombs are from local command head-often imhedded in the road quarters were caught in the telephone and electricity lines to the duet near them and bad to the trunk.

> Duriog a tour of the city, only sprint their way to relative five civilians were seen—four safety uoder heavy Iraqi cover—elderly people and a small child. The huge exodus of Iranians Slightly further to the rear, that must bave taken place is a mortar homb later crashed illustrated by the presence of

the trunk.

recent and heav house to house ous homes have also been torn fighting. The bomb exploded apart although they have not fighting. The bomb explored apart although they have not seems far away. Against the little more than 40 yards from yet been emptied of everything, background of intermittent

KHORRAMSHAHR, until aix attempt has yet been made to where the visiting party was At one checkpoint yesterday, weeks ago Iran's premier com- storm it.

Waiting to leave an army lorry had been stopped by military police and was heing forced to unload its haul of

> The port area has also heen badly bit. Five ships have in the past week been moved further up the waterway to take them out of range of Iranian artillery hut two remain tied up against the quay.

are stacked in one area of the nort, some empty, others black-ened by fire, and still more emptied by the advancing forces. It is understood that the combination of damage to buildings and the silting up of docking areas, previously dredged weekly, will mean that the port will be out of action for some period after a peace agreement.

. But even a ceasefire still

eers were yesterday working to complete the resurfacing of the road that leads from the horder into Khorramshabr.

teries had been brought up and amphibious vehicles were also heing transported towards the front line.

Any peace settlement is also bound to be complicated by the huge damage that Iranian cities have suffered. It will take years Many thousands of cootainers of substantial investment before Khorramshahr can return to its previous state and it is likely that Abadan and its adjoining refinery are in a aimilar

condition.
It will be difficult for the Iranians to hold out in Ahadan for much longer. The island Is surrounded cannot be resupplied. Iraq can therefore continue to loh shells

those controlled by his charit-

able trust, the Pahlavi Founda-

tion—now nationalised and renamed the Alavi Foundation—

Control over the holdings of

the Pahlavi Foundation in the

U.S., a charity registered separately from its Iranian parent, has already reverted to

the present Iranian authorities.

Between \$50m and \$100m was

A strong clue to Tehran's present mood came on Monday from Mr. Ali Shams-Ardekhani,

Iran's amhassador to the United Nations and a confidente of the

religious leadership. "What's important," he said, "is that the

U.S. would agree or make a

pledge that upon finding the

Sbah's money which bad been

inappropriately taken by him,

the U.S. would not hinder any-

the U.S. is able to meet, and

one on which the Administra-

tion is prepared to be helpful.

Bot the certain disappointment

That is certainly a condition

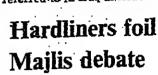
thing returning."

are included.

Surface-to-air missile hat-

to move in on foot will have to

be taken by the political leadership in Baghdad. Meanwhile, Iraq continues to attack Dezful and Ahwaz, the two other principal towns io the oil-rich province of Khuzestan, referred to in Iraq as Arabistan. into the town and any decision



KHORRÁMÍSHAHB

By Our Foreign Staff

on hostages

THE LACK of a quorum in the Iranian Parliament which yesterday preveated discussion of the terms for the release of 52 American bostages was the result of a manoeuvre by hardline Deputies, according to Majlis (Parliament) members.

Only 162 Deputies—18 short of a quorum—were available, and the bostage issue is now to be discussed in public ses-sion on Sunday. The dissident deputles who want to put off the debate are apparently drawn from hoth the Right and Left-wing factions in the Parliament.

"The Majlis will not accept blackmail," said Ayatollah Sadeq Khalkali, the powerful revolutionary judge, after the abortive debate. "This is dismensional."

rupting."
With the debate on the conditions of release for the hostages now to take place only two days before the U.S. Presidential election, it looks increasingly unlikely that a decision will be finally reached before Americans go to the polis.

Iran may find Shah's fortune is a mirage

BY ANDREW WHITLEY IN WASHINGTON



The late Shah Informal checks on his U.S. assets have "turned up very

return of "the Shah's property looted from Iran.'

current freeze on \$80n worth undertake to recover the of Iranian government assets Sbab's wealth. say there would be no legal Eleven mo obstacle to the President issuing a similar order to the banks requiring them to reveal, in confidence, any holdings in the name of Mobammad Reza Pahlavi and his immediate family.

secrecy regulations, like those applied to Switzerland and elsewhere, would allow even "blind" the possible extent of the Shah's trust accounts to-be covered. U.S. assets have already been

fortune may be a mirage, at fore, that they could get a full the White House. least as far as his wealth in the and accurate picture of the "turned up very little" Sha's holdings.

U.S. Administration officials Such a census would be much the 1970s, the Iranian royal appear to have grasped this fact. simpler and therefore quicker family, probably including the At the same time they are well to complete than the earlier Shah himself, made substantial investments in the U.S. aware it will be extremely one, when the banks were given difficult to convince the Iranian 30 days to comoly. The higgest revolutionaries demanding the problem would be in deciding where to draw the line among the Shab's relatives.

Although this demand was. Publicly, the Administration's one of the four key cooditions position is that it is awaiting outlined by Ayatollah Khomeini the outcome of the current on September 12 for the release of the 52 U.S. diplomatic on the hostages before deciding bostages, the U.S. Government on the hostages before deciding to the hostages the U.S. Government on its next steps. In the meanbas not yet formally checked time it repeats blandly—and the full extent of the former not wholly convincingly—that ruler's assets in this country. the U.S. courts are open to Officials involved in the any action Iran may wish to

> Eleven months ago, Iranian Government launched a suit in the New York State Supreme Court for \$20bn it said the Shah and Empress Farah had stolen, and a further and his immediate \$36.5bn In punitive damages.
> But the evidence presented to justify the claim was scanty. One key official confirmed yesterday that informal checks on

THE LATE Shab of Iran's Officials are confident, there- carried out at the direction of former assets within Iran and "turned up very little" he said. During Iran's boom years in

> investments in the U.S. However, some people close to the royal family insist that

the Iranian monarch owned very little in the U.S. Just before his death, in contrast with his property in Europe and Iran. Oo the other band, three of his sisters—Asbraf, Sbams and Fatima—are all known to own substantial amounts of land and property bere. A widespread feeling within

the Administration is that whatever liquid assets the Sbah bad in the U.S. in the form of bank deposits and short-term bills when the bostages were taken a year ago bave already been transferred out of the country. in anticipation of the kind of controls which may come within the next fortnight.

What remains is unlikely to satisfy Tehran's original in Tebran once it became public demands for the return of the knowledge that the safe was Shah and his wealth. This is empty could well prompt the estimate dat anything hetween reaction that the U.S. had 200m and several hn dollars, connived to cheat Iran once

depending on whether bls again.

Phalange tightens its grip BY ISHAN HIJAZI IN BEIRUT

THE PHALANGE, Lebanon's dominantly Moslem West Beirut, forces suppressed the NLP in panded its control in predominantly Christian areas of Beirut Elias al Hanash.

Mr. Chafik a by capturing the south eastern suburh of Ain El-Rummaneb.

After four days of fierce clashes, the Phalangists' militia on Wednesday overran all positioo of the rival rightist National Liberal Party of former President Camille Chamoun.

causing nation-wide concern. Hundreds of regular troops have heen stationed in Ain El-

principal right-wing para-some of them still dressed in three main Christian districts military organisation, has extheir pyjamas, among them was of Lebanon, Kesronan, Byblos

Mr. Chafik al Wazzan, the new The regular Lehanese Army Prime Minister, demanded a did not interfere in the fighting, written report about the Ain el-Rummanch affair from Maj. Gen. Victor Khoury, the army Commander. Mr. al Wazzan Rummaneh since a previous whose government has yet to round of inter-rightist fighting receive parliamentary approval. was meeting Thursday with President Camille Chamoun.

The latest clashes were a General Khoury and Brigadier
About 200 NLP militiamen sequel to a major round of fight Mounir Torbey, the Chief of were forced to escape to pre-ing last July when Phalangist Staff.

Chadli pardon for Ben Bella

Benjedid of Algeria has lifted "oarticular measures" restricting the freedom of the country's first President, Ahmed Ben Bella, 64, it was officially announced yesterday.

announcement added.

President Chadli also par-doned Mr. Tabar Zbiri, a former Agencies.

The measure was taken on member of the Governing Counthe occasion of Saturday's 26th cil of the Revolution, who led anniversary of Algeria's revolution against French rule, the Mr. Zbiri is understood to have returned to Algeria from exile

Fraser warns on sudden change

BY PATRICIA NEWBY IN CANBERRA

INVESTMENT IN Australia's resource and infrastructural development would need to he spread over time, to avoid ioflationary pressure and maintain economic stability, Mr. Malcolm Fraser, Australia's Prime Minister, said yesterday. It is the first time Mr. Fraser

the large amount of development proposed for Australia in the 1980s could cause problems for the domestic economy. Delivering the opening address to the Financial Times confer--The Attractions for Future

has acknowledged publicly that

Government wanted to avoid sudden, hig changes. "It may be more a matter of the speed at which economic change is to he permitted rather

than any absolute prohibition,"

to integrate infrastructure expenditure to ensure that resources such as skilled lahour and capital were not subjected

Government's commitment to fighting inflation (at present 10.2 per cent) and reducing

wace pressure in the next few and called on the Government rears, and said Australia would to follow conservative fiscal be looking for more migrants policies to restrain inflation. to supply skill shortages.

There was a limit to the restrictive measures his Government of the restrictive measures his Government of the restrain mation. Australia Mr. Garrick Agnew, the U.S. oil husinessman helpind an optimal moves to found Australia's first future.

FINANCIAL TIMES AUSTRALIA-THE ATTRACTIONS FOR FUTURE INVESTMENT CONFERENCE

ence in Melbourne on "Australia meot could adopt, because of the three-year electoral cycle. Investment," Mr. Fraser said his It was aiready clear that Australians were demanding an improvement in living standards and reduction in taxation.

"It may be that, with a five-year electoral cycle, Mrs. Thatcher's Government's tasks he said.

Federal and State Governments had agreed on the need infrastructure infrastructure.

Will be casier." he said, adding: "Though it would be remarkable indeed if a significant turnaround in real growth can be achieved in the UK in much

less than five years."

Mr. Gordon Jackson, general to demands that would add to inflationary pressure.

Mr. Gordon Jackson, general nearly protection of the uncontrol inflationary pressure.

A paper delicered on behalf warned of likely inflationary pressure caused by inflow of foreign investment.

He urged the Government to create the climate conducive to market, to allow the private avestment.

He warned, bowever, of likely investment from that source,

new bank for 40 years, told the conference that inflationary pressure could he eased h Australia becoming a capital exporter.

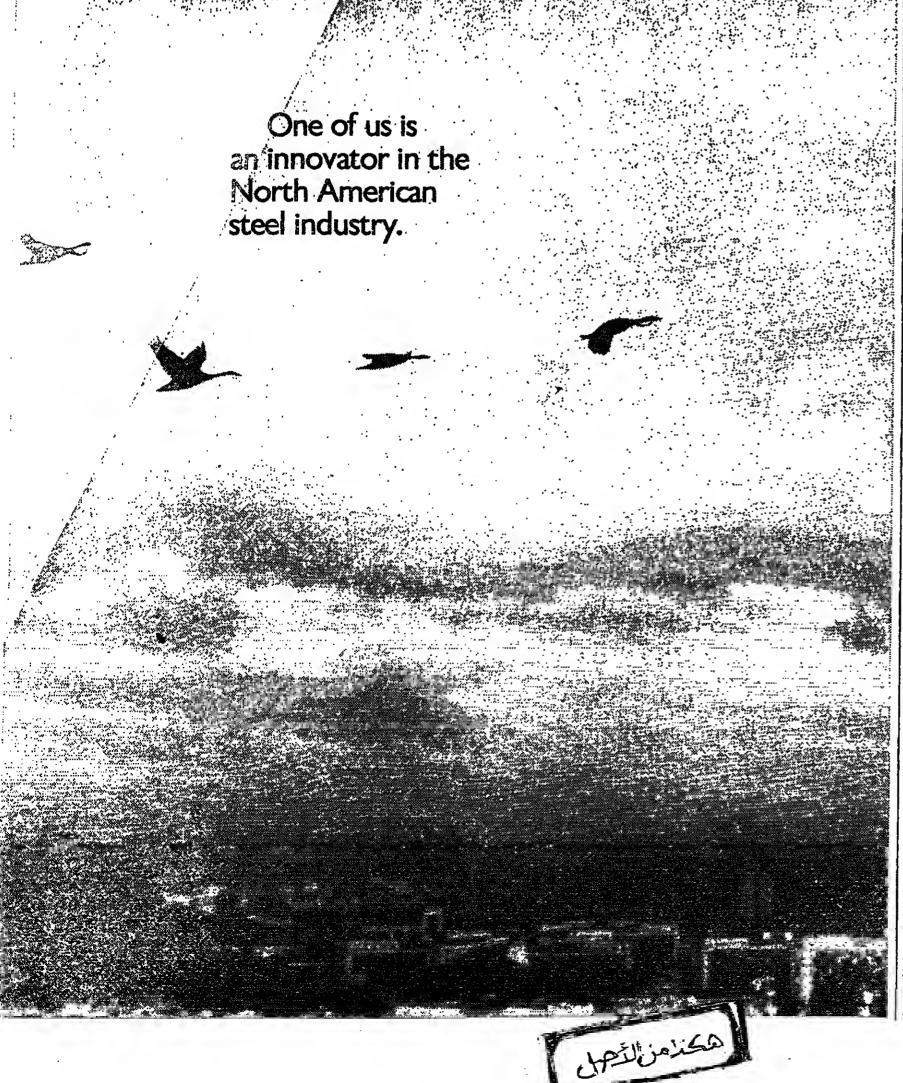
If taxation and foreign exchange impediments were lifted Australia could become a significant financier to South-East Asian countries. This would have political as well as economic benefits, as it would off-set some resentment towards Australia's high tariffs.

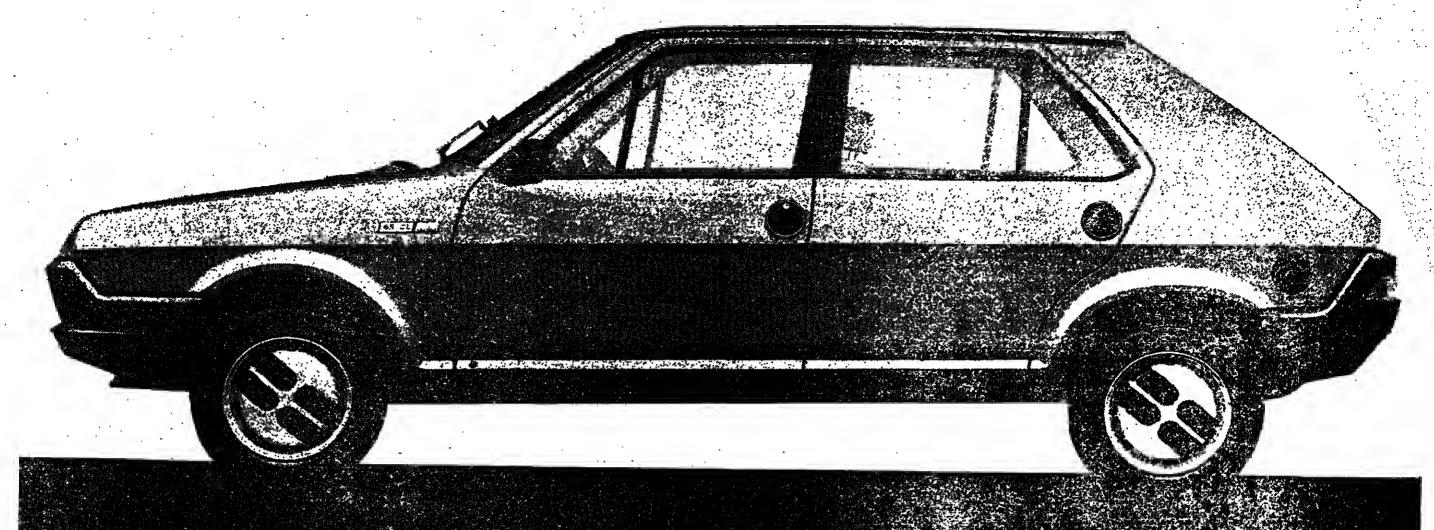
Mr. Agnew also advocated accelerated immigration of skilled lahour to ease Impending wages and inflationary pressure caused by shortages of skilled workers.

Mr. Graham Cocks, director of Syntec Economic Services, a privale consultancy which provides information on economic trends, said that despite Australia's endowments, the economy did not have the capacity to achieve sustained growth much ahove 2.5 per cent

vear. He partly blamed Australia's of Senstor John Carrick, Minister for National Development and Energy, said Anstralia could use its comparative Government expenditure to back off from the domestic loan advantage in energy in conjunclion with mineral wealth to broaden and expand overall

development. Mr. James Kirk, chairman and managing director of Esso Australia, a subsidiary of the U.S. oil major Exxon, also took an optimistic view of Australia's





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Just the thing to put a smile on J. R. Ewing's face

the Presidency took shape here the drum on President Jimmy camp, despite the mixed press in Texas, sas the Republican Carter's economic record to turn candidate? zeroed in on the a lead in the popular vote and inability to run this country." and accused him of misbandling the U.S. economy in all its U.S. QUARTERLIES

To rallies on Wednesday in Houston and Dallas, Mr. Reagan took up his closing theme from Tuesday night'a Cleveland debate lambasting Mr. Carter's incompetence io letting the U.S. go downhill in the past four

It is a gamble for the Republicans, whose buoyant aides claim he emerged the ultimate high-risk choices io the final victor from the television stretch. They have to—in order debate. This gamble assumes to ration the political themes southern base. But Mr. Reagan.

MR. RONALD REAGAN yes-

terday claimed that Americans would he "a little sceptical" about President Jimmy Carter's motives if the

hostages in Iran were freed before Presidential election next Tuesday, David Buchan

writes. In a Dallas radio interview just hefore leaving for a final

north-east and m idwest caoi-

paign swing the Republican candidate also criticised the

Admiulstration's handling of

the hostage crisis from the

start. It had had " plenty of

of the U.S. enthassy in

about the takeover

"demoostrated ciectoral college tally into victory next Tuesday.

Quaker Oats poor. Winnebago Industries steadier. General Reinsurance advance.

Details, Page 30.

Both candidates are taking

Carter 'handled hostage crisis badly'

either removed the diplomats

or reinforced its security, he

Evidently more assured in speaking out nn the hostage

issue, now that the prospects

for their immediate release

are waning. Mr. Reagan sug-

gested that a audden pre-election mave could backfire

politically on the President.

"I think the people in this country would be a little

sccotical about the timing

that hrought them home jost

prior to the etection," he said, adding that he would

allegations as "much ado about less conducting an internal

Mr. Carrer and Mr. Reagan have both allotted precions hours in the final week to Texas. the state with the fourth-largest number |261 of electoral votes. Loss of the Lose Star state. which Mr. Carter carried to which Mr. Carter carried to 1976, and quite possioly Florida. the less drove home his would hammer the President's economic message in Republicao would nammer the President's

welcome the hostages' release

al any time. Mr. Reagan also spoke ont

on Cuha-an issue io this

election partly hecause of the sudden influx of Cuhan refugees into the U.S. this

year. A Reagan Administra-tion, he said, would demand "a great deal of change" in President Fidel Castro before

relations could be normalised.

Cuba would have to pay Americans and Cnhans com-pensation for expropriated

properly, and there would

have to he "a swing away from linkage with the Soviet

In particular, he said.

camp, despite the mixed press be quite gond enough for the looks all his 69 years these days, verdicts on the Cleveland President. According to Mr. he skilfully gave his message debate and fresh conflict of John White, the Texan who an effective energy twist for oil-interest allegations coocerning heads the Democratic National producing Texas. Mr. Richard Allen, Mr. Reagan's Committee, the President prob-foreign policy expert. Mr. ably needs a 4 to 5 per cent Reagan blandly described the election eye lead in the polls to offset the propensity of Repubnothing," but he is none the licans to turn out in higher less conducting an internal proportion than Texan proportion

Weariness

Mr. Reagan, faltering through weariness on some of his favourite anli-Carter jibes, nonc and congenial East Texas.

U.S. ELECTIONS

Serap the interfering Federal Energy Department; focus on production and not on conservation; open up federal lands and continental shelf to exploration; and kill President Carter's tax on oil companies' windfall profits. To hear Mr. Reagan on Werlnesday night at Dailas's Southern Methodist University, one would aimost think it was the windfall profits tax which clobbered J. R. Ewing, the wellknown "oilman." His words are well received by Texas's many independent oil de-

But the key to the race may lie out of Mr. Reagan's hands

of his brothers' concern for

Governor Bill Clements, Texas's first Republican Gover-nor in a century, claims pleasure To fire enuthisiasm, Senator that the Massachusetta Senator Kennedy came into the state last was appearing in the state, week, evoking a common Catho- because, he thought, Mr. Kenlic religion, shared liberal nedy repelled as many voters as political beliefs, and memories he attracted. But the abrasive Governor Clements is divisive

the Governor has striven might and main to carry Texas for Mr. Reagan, pinning his political credibility on success. He has been quietly helped by two former Democratic Governors who have been working against

Texas this year is the home of the crossover "Democrats for Reagan" organisation, just as it was in 1972

Oil industry victory on pipelines

By David Lascelles in New York

THE Federal Trade Commission has decided not to make a rule prohibiting large oil companies, from owning oil pipelines, in what amounts to an important victory for the oil industry.

The decision is a setback for Senator Edward Kennedy, who had long campaigned for such a rule and petitioned the FTC last year. But it also seems to put to rest the movement, strong in the 1970s, to dismember the country's large oll companies. enator Kennedy bad argued

pipelines which also conveyed products from other com-panles had a conflict of interest, because they could hold back the flow to particular | national security. markets when it suited them. But the FTC decided that while

that oil companies owning

here was potential for abuse, il would prefer to study the problem case by case, rather issue a general ruling.
Oil company dismemberment

has cooled off considerably as a political issue since 1977-78 when Senator Kennedy held Congressional hearings on the subject. But the oil industry has lobbled persistently against the oil pipeline move, arguing that it is unnecessary and unfair.

Canada Budget criticised

WINNIPEG — Mr. Jack Gallagher, chairman of Dome Petroleum, said the share of oil revenues that producing companies will get under the new Canadian Federal Budget ia inadequate to finance the hig energy projects of the future.

Many companies such as Dome are reinvesting two to three times their current cash flow, but they cannot continue this practice indefinitely," he asid in a speech to the Canadian Institute of Public

Estate Companies. Le called for Government loans to oil companies which would he repaid at five times the loan value if a company made a large discovery.

Jamaican violence fails to deter voters

By Canute James in Kingston

THOUSANDS of Jamaicans queued nulside pulling stations yesterday in vote in general elections. First reports indicated that voting had started without violence of \$500 matter. violence at 6.500 voting contres which were under armed police and military guard.

The initial calm was in contrast to the party political violence and attacks by armed thugs which have taken just over 500 lives.

Just under 1m voters will be deciding between the social democratic People's National Party, led by Prime Munisler Michael Manley, which has been in office for over eight years. and the opposition conservative Jamaica Labour Parly, led by Mr. Edward Seaga, a former Finance Minister.

Some reports indicated prohlema at certain polling statinns, mainly because a new system of voting agreed by both parties to ensure fairness is being used Police said yesterday morning that they could not confirm reports of an attempt on Wednesday night on Mr. Seaga's life. The reports, from Labour Party members, said Mr. Seaga was shot at when he toured a suburb of Klngston.

Sporadic gunfire occurred nn Wednesday night in many parts of the city and in one incident eight policemen were slightly injured when their vehicles were attacked by gunmen.

CIA agent gave details of weapons

Central Intelligence Agency agent who pleaded guilty nn Wednesday to selling intelligence secrets to the Sovici Union is believed to be the bighest level Soviet spy ever un-covered within U.S. intelligence.

accused of passing on to Soviet KGB officials U.S. intelligence on Soviet weaponry, including surface-to-air missiles, Stix Cruise missiles, submarines, destrnyers and bombers.

Mr. Barnett, who admitted passing on the information for \$92,600 (£37,000) beginning in October, 1976, faces possible life Imprisonment for esplonage. As part of a plea hargain with federal prosecutors Mr. Barnelt agreed to co-operate with the CLA and the Federal Bureau of Investigation (FBI) In assessing the damage he had done in

Barnett was involved in clandestine intelligence overseas includ-

The prosecuting statement said that one U.S. operation. codenamed Ha-Brink provided technical details about the Soviet SA-2 surface-to-air-niasile system, the Stix Cruise missile, the Sovjet W-class submarine, guided missile patrol hoats, the Rigardless destroyer

According to the document. Mr. Barnett's disclosure to the KGB that the U.S. understood the guidance system for Slix missiles would have alcred the Russians to the probability that the U.S. had gone on to develop effective electronic counter-measures.

Protests to Pinochet over exiled Chilean

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE U.S. ADMINISTRATION. the Venezuelan Government and the Vatican are among a number of Governments which have made strong protests to General Augusto Pinochet, the Chilean Head of Stale, abnut his decision to exile Sr. Andres Zaldivar, the Chilean Christian Democratic leader and former Finance

Sr. Zaldivar, who was refitsed permission to return to Chile after a tour of Europe earlier this munth, had taken the lead in criticising the recent Chilean plebiscite and irregularities in the counting of the voles. Gen. Pinochet said that the poll had shown a majority of Chileans supported his rule.

Venezuela has taken the lead in an effort to get the manual countries.

in an effort to get the measure against Sr. Zaldivar rescinded.
The Christian Democratic Government of President Luis Herrera Campins has given instructions to Venezuelan ambassadors around the world to request protests about the

Zaldivar case from governments friendly to Venezuela. A Foreign and Commonwealth



Andres Zaldivar ... criticised plebiscite

Office spokesman yesterday said that Britain bad not made a specific protest to Gen. Pinochet about the exiling of Sr. Zaldivar.





flanked by such political stars

Uoinn." But Mr. Reagan said: "I doubt he (Mr. Castro) could do this hecause he is

velopers and royalty owners.

and in South Texas with the Hispanic community. Spanish speakers in 1976 gave Mr. carter 87 per cent of their vote. for this year's Democratic nominee, but no one knows how called a "guttersnipe" hy brightly they will be hurning Democratic plitticians. However, and in South Texas with the gration from Mexico has swelled next Tuesday. their numbers since. If Mr. Carter can get 300,000 Hispanic votes this time, he is helieved safe in Texas. But the intensity of their suport is ool for Mr. Carter but for Senator Edward

Mexican Americans. The Sena- too. He recently called Mr. tor evidently lit a few fires Carter "a goddamned liar"



Ronald Reagan . . . a gamble in the Lone Star state.

Pleasure

Mr. Carter's re-election.

Wall Street and the election, Page 32

BALTIMORE - The former

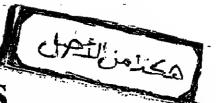
Mr. David Barnett, 47, was

Besides turning over to the KGB technical information proeurred by a U.S. covert operaion, Mr. Barnet was accused of identifying 30 undercover CIA agents and naming seveo Russian citizens regarded by the CIA as potential recruits.

He was said to have passed on the information to KGB agents in Jakarta and Vienna after leaving the CIA in 1970 and cmbarking on a number of husiness enterprises in Indonesia which left him in financial difficulties. During his CIA career, Mr.

ing operations designed to ob-tain information on the Soviet Union. He also did part-time consultancy jobs for the CIA and last worked for the agency in March this year.

hoais, the Riga-class destroyer, Sverdlov-class cruiser and the TU-16 homber.



Honda, Yamaha set for China cycle project

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPAN'S two top motorcycle The Chinese market for motor manufacturers. Honda and cycles should be extremely Yamaba, will take part in the large in view of the fact that development of China's motor-cycle industry it was confirmed dard means of individual

annual production capacity of 150,000 units. Yamaba says it bas received "several" requests from different provincial governments for the construction of factories, and it expects to be able to announce its response in the near future. Ona of the proposals received by Yamaba was from the provincial Government Kwangtung.

Direct exports of Japanese motorcycles to China bave so far been minimal. Honda bas shipped about 100 units while Yamaha says it bas so far yet to receive an order.

However, the Japanese com-panies are convinced that China China and Japan in the manu-facture of four-wheeled vehicles, cycle industry as a stepping but no concrete developments stone towards fully-fledged in this area appear likely at manufacture of motor vehicles.

transport.

Honda has decided, in principle, to belp build a factory in the city of Tientsin with an ioint venture or a simple joint venture or a simple transfer of technology.

Talks bave been in progress on the scheme at top management level since September when two senior Honda executives visited China to present motorcycles to the China Motor Sports Association The machines produced at Tientsin will probably bave engine capacities of 50 to 70 cc, Honda says. If the Tientsin plan goes ahead on schedule Honda will

become the first Japanese com-

pany to be directly involved in the Chinese motor industry. But the ordinary prime rate, which affects the majority of

Italy eases credit rate on exports

By James Buxton in Rome

TALIAN COMPANIES will pay 1 per cent less for the money they borrow to finance export operations from next Monday.
The decision was made in Rome by the Association of Italian Bankers.

The action follows pressure on the banks by the Bank of Italy the central back, and the Government to improve the competitivenes of exports, which is a main plank in Government policy.

Following the fall of Sig. Francesco Cossiga's Government and the lapsing of its sconomic measures at the end of September, the official discount rate was raised 1.5 percentage points to a record 6 per cent and the Bankers' Association raised in step the rates which banks charge borrowers for different types of transaction.

Now the rate for export opera-tions is to go down to 19.5 per cent, and the rate for certain other relatively favoured forms of borrowing will drop by balf a point to 20 per cent.

borrowers, stays unchanged at 21 per cent. The bankers point out that their rates mean only a small real rate of interest when inflation at 21 per cent a year is taken into FLAGS OF CONVENIENCE SHIPPING

Bahamas fires shot across Liberian bow

A DECADE-LONG effort by the flag. Bahamas to taunch itself as a flag of convenience country bas bit rough seas once more.

The most recent setback is the dispute between Cunard Lines and Britain's National Union of Seamen over plans to transfer the company's two smaller cruise ships, the Cunard Countesa and the Cunard Princess to Bahamian registry. In fact, it was the departure from Britain of the Cunard Princess last weekend amid protests over the registry issue that prompted the NUS to describe the sbip as a "maritime bazard."

Ironically the row has erupted amid renewed attempts the Bahamas Ministry of Transport to convince sbip-owners of the advantages of Bahamian registry. The Ministry bad been counting on the Cunard name to provide the catalyst.

Until last April's bloody coup in Liberia, the larger shipping companies bad dismissed the Babamas as an alternative flag because of what were regarded as serious weaknesses in the country's four-year-old Merchant Shipping Act.

Ministry of Transport officials say that since then the Bahamas bas been inundated with inquiries from American shipping interests which own from 30 to 35 per cent of the ships registered under the Liberian Additional provision would be

stances the Bahamas' political stability bas become an im-

registration and maintain internationally accepted standards must be equivalent to those of the UK.

The Government also plans to drop the 1,600 net tons minimum required for foreign-owned ships and set an upper limit on registration fees per ship so as to draw the very large tankers. sectors.

portant consideration.

Hoping to capitalise on the considering several major amendments to the Shipping Act that would make Babamian registry more attractive to American and Far Eastern ship-

Registration is open at present to all foreign-owned ships of over 1,600 net tons providing they are no more than for vessel, officers and crew. There are no restrictions on the nationality of officers and crew, but certificates of competency

Besides recognising American sovereignty over U.S.-owned abips in time of war or national emergency, the proposed changes would aafeguard ship mortgage claims beld under previous registry and provide for a reciprocal tax arrangement which would avoid having Bahamian wassels toyed while Bahamian vessels taxed while trading in U.S. waters.

more flexible manning require-ments consistent with new sbip the Government's speed in design and technology. Given the country's status as

tax baven and offshore financial centre, the administration hopes shipowners will be encouraged to locate their headquarter in the Bahamas, thus generating additional business for the banking and insurance

made for fleet discounts and will be in winning business from bringing the amending legislation to Parliament. The track

record has not been encouraging

in this respect. Establishment of the Although the Government Bahamas as a ship registration had optimistically predicted centre was a direct result of earnings of at least 82m Establishment centre was a direct result of the 1971 decision by the Burmab Oil Company to build a

between the Babamas Govero-ment and Burmah was that 50 per cent of the shipping to be used by the oil company would carry the Bahamian flag.

The plan might have

eeded but for the 1973 Arab oil embargo and the rapid increase in oil prices. By the time the terminal came on stream in 1975, U.S. oil demand had already slumped, and Burman's tanker operations were in serious difficulties.

A second drawback was the two-year delay in introducing the necessary legislation. The Bahamas Merchant Shipping Act took effect in 1977 amid the biggest recession in the modern history of shipping. It tool another two years to correct an unintentional omission and allow for stamp duty exemption on bills of sale and ships mortgages.

Approximately 90 foreign vessels have registered in the Bahamas in the past four years. Most are cargo vessels, and none of them over 1700 dwt. Baha mian registry has thus far failed to attract the large bulk carriers needed to make the industry viable.

earnings of at least 82m annually in the early years, actual revenue in t978 totalled sectors.

How successful the Babamas minal on Grand Bahama island. \$100,000 this year.

USSR to help India's industrial development

THE SOVIET UNION will help India implement industrial projects, including steel and aluminium plants and power stations, worth Rs 65bn (£3.6bn) during the sixth five-year plan period from

Apart from the Rs 25bn integrated steel plant to be established at Vishakatpatnam in the Southern state of Andhra, the agreement which bas already been signed, includes provision for expansion of the existing steel plants to 5m tonnes at Bhilai aod to 5.5m tonnes at Bokaro. An aluminium complex is to be set up in Andhra State with a capacity of 800,000 tonnes annually.

This was announced in New Delhi yesterday by Mr. Narayan Datt Tiwari, India's Planning Minister, on his return from a week's visit to Moscow. Mr. Tiwari said that working groups were meeting on each of the sectors to decide on various detalls of

the implementation of the

projects. including their Other projects include a 2.000 MW "super" thermal power plant at Wydban in Madbya Pradesb State, development of new coal mines of Jhangra in eastern India to yield an annual production of 2.8m tonnes, modernisation of the coal mines at Jharla to yield 12m tonnes a year and supply of new coal mining tech-

Also discussed at Moscow were proposals to increase crude supplies from the Sovict Union from the existing 1.5m tonnes annually to 2.5m

four banks are currently putting together a financial package for India which will help finance the building of an aluminium plant in the state of Orissa and is expected to top \$1bn. The contract to build the plant has been won by Pechiney Ugine Kuhlmann. Francis Ghiles writes.

Banque Nationale de Paris. Societe Generale, Bank of America, and the State Bank of Inda are working on a financial credit which is exnected to be close to \$700m. This would make it the largest ever eurocredit for India. To this figure will be added a substantial but as yea undisclosed amount of French

Japan-based consortia to bid for Saudi deal

By Charles Smith, Far East Editor, in Tokyo

TWO LEADING Japanese engineering construction companies are to form international consortia in nrder to hid for a ¥250bn (£439m) refinery which Shell plans to build in Sandi Arabia.

The two companies are JGC, which will be working with M. W. Kellog of the U.S. and Dae Lim Industrial nf Smith Korea, and Chiyoda Chemical Engineering which plans to team up with Ralpb M. Parsons of the U.S. and Technip of France. A third major Japanese company, Ishikawajima-Harima Beavy Industries, has denied reports that it plans to bid for the

The formation of Inter-national consortia by Japanese companies for overseas plant projects is a relative novelty and has been disconraged until recently by restraints m the terms under which Japanese Export Bank finance Import available

Recently, however, Japan has become interested in international plant tenders for a number of reasons.

JGC quotes risk dispersal as its main reason for inviting foreign partners to join it in the Saudi Refinery project. Two other reasons for forming such consortia are to take advantage of price differentials in different countries and to promote industrial co - operation hetween Japan and its developed trading partners.

The strength of the Japanese yen is cited as one reason for a fairly sharp falling off in plant contracts won by Japanese companies this year. As a countermeasure some exporters have begun subcontracting portions of con-tracts to European or U.S. partners who can onote cheaper rates for some types of machinery. Joint controcts which a Japanese company and a European or U.S. company both appear as principals are also becoming popular, although legal and financial burdles have stund in the way of these.

Japan's Machinery Ex-porters' Association has been sponsoring meetings with opposite numbers in several European countries to consider ways of promoting joint

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EEC pledges \$45m for Egypt water plan

BY ALAN MACKIE IN CAIRO

EGYPT'S Helwan waste water project is closer to being realised following the visit to the country this week of M. M. Claude Cheyssen, EEC Commissioner for Development Policy, for talks with officials on mntual co-operation.

The EEC has promised \$45m (£18.5m) towards the cost of the \$140m project which will provide a new sewage treatment plant and collecting tunnels for an industrial town Helwan, south of Cairo.

The Egyptian Government has undertaken to provide the remaining funds for the project which was started with Arab filnance, since terminated by the Arab boventt.

Work could not start however, until a water irrigation project, an itnegral oart of the programme, had been for the European businessmen authorised. This has been in Alexandria in April or May agreed to and the waste water

project is likely to go out to tender early next year. Mr. Cheysson's visit

impetus to a number of other projects, including the EEC funded Abu Zaabal phosphate mine in Upper Egypt, a project the UK bad shown interest in before the aid budget was cut. The EEC provides Egypt with \$240m under a three-year protocol due to expire in October 1931, and a further \$78m worth of foodstuffs. M. Cheysson bopes the new protocal, negotiations which are due to start in the New Year, will be for "at least

\$300m." To aid the EEC investment effort and redress the trade deficit between Egypt and the Community, running at \$1.46bn, the EEC Commission is sponsoring an investment symposium for the European businessmen

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£500,000

conspiracy

By Raymond Hughes, Law Courts Correspondent

Crnwn Court yesterday.

SECRET, tax-free nest ear of more than £500,000 was

amassed by a conspiracy

involving Lord and Lady

Kagan, it was alleged at Leeds

The conspirators plotted to

divert to a Swiss bank account

a large part of the proceeds

of sales of denim cloth be-

tween companies controlled

by the Kagans, said Mr. Christopher Holland, QC, pro-

nest egg

alleged

the America-owned tractor ment in which to operate.

making mulinatinnal—is now International Harvester operating one-day week for U.S. lost \$200m in the first half its British workforce in Don- of this year. Its decision to withcaster and Bradford and yester- draw from the market one of its day anomineed furthec redun-dancies it its major Doncaster affected the British operation

redundancies only 56 out of his UK force of 5.268, but this is 1,347, or 20.4 per cent, es**a** tban a year ago.

he situation has ohvinusly orsened since July when international Harvester announced 740 redundancies and said it had recorded "s major loss" in Britain so far this year with no " realistic hope " of a return to profitability uver the rest of

At that time most of the Doncaster workforce was on a three or four day week and the smaller Bradford factory was working 4½ days a week. Yesterday a spokesman said the two plants were nuw on a one-day week and this would continue for at least the next fortnight. "The situation is reviewed on a weekly basis," he added.

relations director, said: "The worldwide recession for farm machinery, plus high interest rates, high inflation and record level of the pound, are all slaff employees.

INTERNATIONAL Harvester- creating a very difficult environ-

International Harvester in the aince the macbine is made at Donesster and the alump in the U.S. tractor market has also hit Doocaster which makes the smaller IH tractor sold in the

1H is one of four North American-owned multinationals making tractors in the UK for sale locally and internationally. The others are Massey Ferguson, David Browo and Ford and all bave been bit by the drop in demand for tractors, both in the UK where tractor sales have fallen by over 25 per

cent, and abroad.
An international rescue attempt for Massey Ferguson is already being discussed with the 200 or more banks, including British clearing baoks, involved io loans to Msssey.

The latest III redundancies will be mainly in the super-visory structure, the company said yesterday, with 41 jobs in-Mr. Jon Young, IH's employee rolved. The structure will be elations director, said: "The rationalised and streamlined to improve its effectiveness. There will be 15 redundancies to manufacturiog support sreas of

Industry 'must end fear of redundancy' to survive

BY RAY PERMAN, SCOTTISH CORRESPONDENT

workers must be removed if said yesterday

Giving a keynote adures at a forum on Industrial Relations Mr. Len Murray, general urganised by the Scottish relary of the TUC, disagreed with Sir Hector that the owners and the workforce Giving a keynote address at a that if the fear of losing a job could not be allayed there would be massive resistance to

"So lung as hiring and firing are used as a means of regulating the prufitability of a business, so lung will an atmo-sphere of bostility and suspicion persist and so long will we suffer frum confrontation and

Voluntary retirement shundd

THE fear of redundancy among Inevitable some for mof iocome protection should be applied. Sir Hector said it would be to introduce the structural and disastrons if management were technological changes necessary in adopt a "teach 'em a lesson" to survive. Sir llector Laing, attilude towards noturns. This chairman of United Biscuits, wunter destruy the trust sad understanding built up in many

> of industry and the workforce shared commoo interests. There would always be legitimate areas uf conflict, such as the distribu-tium of the proceeds of lodustry between dividends and wages.

The issue confronting Britain was not how to avoid conflict, but how to avoid the disruptive patential of conflict,

Mr. Murray sald that the Guvernment would rue the day It abolished the Clegg Commisbe used un a wider scale, sinn on public sector pay com-Although costly, it would be less parability, which bad provided expensive than lbe soured a way of solving grievances industrial relations and the without the withdrawal of social damage which could result labour. And the new Employfrom having a generation of ment Act, intended to tilt the young people out of work fur halance of power back towards employers, would Where forced redundancy was create martyrs

Engineering output falls

BY MAURICE SAMUELSON

the Departments of Industry and Trade.

The 4 per cent fall was power tools. shared by the two major sectors, mechanical and electrical

Only two out of 20 mecbbuosted output. Falls of more by machine touls, textile machinery, weighing machinery and

Constructional steel work rose appreciably after its steep fall in the first half of the year. Colin Inman reports on how boat builders are tacking against the recession

Enthusiasm keeps this industry afloat

IN HAMBURG last week a band of 30 pr so British boat builders and equipment manufacturers were buslly trying to persuade the wurld's yachtsmen that an industry in deep recession could still compete in world markets. The occasioo was the German International Buat Show, Must of the British exhibitors were

appearing under the hanner of the British joint veoture. organised by the British Overseas Trade Buard, which received high praise from the companies laking part for its efficient arrangements and excetlent stand design.

Even so, the number of British exhibitors—around 30 year, reflecting the fact that the hast building industry, like so many others, needs all the belp it can get

During the past year, many cumpanies have gone out o husiness. Others have cut back on staff and reduced operations to a bare minimum in the face of falling or, in many cases, mpty order hooks.

In most other industries the toll would be higher than it has been. But hoat bullding, perhaps more than any other occupation. is manned by enthusiasts-by people who want to spend their lives making boats, or the equipment to go in them, and would he desperately unhappy doing anything else.

In the early 1970s, the British boatbuilding industry capital-ised on the long-standing reputa-tiun of British yacht designers and yachtsmen and established a strong foothuld io export

markets.
The old boathuilding traditions were hlended with new enterprise sbuwn by companies like Westerly Marine which were pluneering mass produced, relatively inexpensive family hoats. A new market opened up rapidly because these smaller yachts combined the pleasures of sail with the safety and convenience of diesel auxiliary

Electronic navigation equipment also made the sport much more altractive to the relative This market has been severely

by the recession in the UK, and the congestion of British rivers and harbours which has pushed mooring costs steeply upwards.
The strong pound and the

increasing costs in a predominantly labour - intensive ludustry bave eroded competitiveness in export markets. At the same time, European competitors, notably io France, bare produced very attractive modern designs of their own.

The high prestige sector of the market, served by com-panies like Nicholson and Moodie, has relied for many years oo exports and sales to companies. It has been hit both by the strength of sterling and the geoeral pressure on company liquidity.

However, there seems to be general agreement that the makers of larger craft, whether sail or powered, have fared slightly hetter than those at the smaller end of the market.

Those who can afford between

£70,000 and £250,000 for a boat, the argument goes, are unlikely to be prevented from spending

UK boat builders have bad to face the erosion of some of their export markets, and steadily jocreasing competition from countries who are exporting aggressively to counteract the diminishing of their own bome markets.

The U.S. is a major exporter to Europe. American maoufac-turers have been trying hard for new markets while that in the

What might be expected to be prohibitively high transport costs are offset by the economies of longer production ruos and by the lower cost of energy in the U.S. which means that such important raw materials as resin are much сћеарет.

There is also growing competition from the Netherlands, Scaodinavia and France. However, the expected challenge to the European manufacturers from the Far East, especially Taiwan, has bardly begun to materialise.

In this atmosphere it is not the credit ter surprising that accusations of its dealers led unfair competition are rife—of fall in orders.

unreasonable technical require ments by the French; of bidden subsidies to the French and the Swedes: and of generous Government credit to the boat builders of several countries and to their agents abroad. One British maker quotes the case of a Greek agent for a French

boat builder who is giving

credit terms f up to three years.

What no one in the industry seems to be able to agree on ia wbether there is yet a light to be seen at the end of the tunnel. David Sanders, managing director f Westerly Marine, one of Europe's biggest makers of cruising and racing yachts, is mildly optimistic, although the company's workforce was pruned from 700 to 500 last

But, he says, orders have been better than expected since the Southampton show in the summer. In Europe, however, the rising pound is proving a severe barrier and the company's move in June to reduce the credit terms available to its dealers led to a 50 per cent

"We feel we bave pruned enough now," says Mr. Sanders. "We are efficient and not over-

staffed. Most boat builders agree that the wrong course to take is to go out of business in the hope of coming back later. " If you do that," says Bill Picton of Picton Boats of Bridgend, "you simply loae your markets."

from 28 last year to nine. He has an empty order book. But like many others he regards it as vitally important to keep the front of the potential customer. even if it means spending more than £5,090 to appear at a show such as Hamburg.

Innovation, too, is important, whether it means a complete new design or producing the new electronic gadgets that yachtsmen delight in owning. The companies doing well at present include the makers of rig systems (which make it assists for one man to sail a easier for one man to sail

Henri-Lloyd has acquired a reputation as the "Rolls-Royce" of weatherproof clothing makers, and bas seen a 20 per cent rise in exports this year, which now account for 41 per

Lack family, even to buyers in the Mediterranean, has meant that this is one company that has kept up its output (25 each per year of two designs) and has not bad to lay off any of its 40 employees.

Mr. Picton's staff has been cut

large boat), of electronic navi-gation gear, and of equipment and clothing for the booming sport of windsurfing.

cent of production.

And the sort of enthusiasm

that boat building can produce is typified by Mary Lack, whose busband Tom founded Tom Lack Catamarans in 1969 after a working life in wholesaling

and retailing.
Mrs. Lack led two crews in sailing and mntoring two of the .compaoy'a cruismg catamarans to Hamburg from Christchurch in Hampshire, a journey that involved stops at Brighton and Ostend and a trip through the rivers and canals of Holland and Germany.

secuting. The plan involved criminally false accounting and the falsification of documents and Not guilty plea Lady Kagan, Mrs. Dolya Ginsburg, Mr. Raymond Kennedy and Kagan Textiles pleaded not guilty in a charge

of conspiracy to defraud.

Lord Kagan — "the moving spirit behind the conspiracy " -was not on trial. Mr. Holland told Mr. Justice Smith and the jury, because the way he had re-entered the UK (be was extradited from France earlier this year) pre-

vented him being charged with the conspiracy. Mr. Holland said that the case contained elements of drama; public concern, notoriety and criminality - sad because we are dealing with paople of proven achieve-ments and talents who found themselves more and more involved in a matter which necessarily gave rise to more

and more deception." The conspiracy, known as "Operation B," had involved the formation of a Paramanian company, Denim Continental SA, untraceably owned and controlled by the conspirators. Its control was to be clandestine and its activitles secret.

Denim was exported to that company by Cellofoam (York-shirel, a Kagan group company, at a gross undervalue, as sub-standard.

Denim Continental then sold the denim, principally in Belgium and Italy, at its true market value, which at the time, between 1974 and 1978, had been high.

After payment to Cellofoam. the very substantial balance was put into a Swiss banks account opened fort bat pur-

In that way, at least £546,695 was diverted and not accounted for to the UK tax authorities, said Mr. Holland.

Counsel described Lord Kagan as s strong, dominant personality, energetic, enterprising and finsncially shrewd, with the ability to command obedience and loyalty from his closest colleagues:

He had been driven to pursue wealth. The case suggested that be had not been satisfied with what he bad acquired in this country and bad pursued more elsewhere.

A similar charge of conspiracy. against Cellofoam (Yorkshire) will be dealt with later.

The Crown has dropped the charge against Mrs. Ginsburg's husband, Mr. Waldemar Gins-

THE OUTPUT of Britain's engineering sector was only engineering industries fell 4 per marginally affected. cent between May and July. Only two out of 20 mecb-compared with the previous anicat engineering industries three months, according to British Business, published by

engineering. The instrument

Iveco managing director quits over policy change

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

vehicle group.

Maglrus Deutz vehicles in the UK were combined to form IVECO UK, has resigned over differences of opinion about management style.

IVECO UK has dropped lts plan to set up a £3m headquarters, warehouse and service facility which was to have been built at Warrington, Lancashire. The original decision to keep the Fiat and Magirus Deutz. dealer networks operating separately in Britain has been They will he combined to form a 60- to 65-strong network from January next

Mr. Tinsdale, aged 52, has been involved with the commercial vehicle business since

THERE has been a major Magirus Deutz Concessionaires . change of direction by the UK in the UK as general manager. subsidiary of IVECO, the Fiat in 196s. When the company offshoot which is Europe's laler became Magirus Deutz second - largest commercial (Great Britain) in 1971 be was appointed managing director.

the differences in management joining the EEC. styles between IVECO and the one he was used to with Magirus."

ton expansion was halted because it had been conceived at a time when the UK market was particularly buoyant.

IVECO will move instead to newly-acquired premises near the existing Magirus office at Winsford, Cheshire. The new managing director of

IVECO (UK) will be Mr. Alan Fox who takes over next month. He will take over a company with a turnover in excess of £50m and which takes third | Wales's "exceptional problems. place in the list of importers! selling commercial vehicles over i grants, 39 per cent went to prothe late 1950s. He joined 3.5 tons gross weight in the UK. grammes for under-25s

£71m social grant to UK from EEC

By Maurice Samuelson

THE European Commission has Mr. Frank Tiosdale. appointed managing director in January when the British operations of Fiat Trucks and our regret basically because of the total grants to the UK since

The fund is for assisting vocational training, retraining and resettlement schemes in Dr. Brasca said the Warring-on expansion was halted be-emphasis on helping the unemployed and schoolleavers. The main areas in which the

latest cosh will be used are young people £37m: regions £24m; haodicapped £8m: migrants £1.2m and textiles £38.000. This is in addition to £7.6m

already allotted to the youth opportunities programme Wales for 1980 in recognition of what the commission calls

Costs of damage by fire exceed last year's total

months of last year. If the trend ember last year. continues, fire damage costs in 1980 could approach £500m.

FIRE DAMAGE costs for the also show that fire damage costs first nine months of this year last month returned to a high have reached £387.3m, accord- level, after the decline in Ing to figures issued yesterday August, when costs were at hy the British Insurance Asao their lowest for two years.

.Three fires cost £1.5m each, This is nearly 10 per cent contributing to a rise in Septmore than the total costs for ember's fire damage figures of 1979, which were £355.3m, and nearly £12m on the month to is about 50 per cent above damage costs for the first nine £53m less than damage in SeptCounsel described Lord Altogether there were 16

fires where damage cost at least The BIA figures, issued dur- £250,000 and 93 fires which each ing National Fire Safety Week, cost more than £40,000.

Food price rises to ease

ey our consumer AFFAIRS CORRESPONDENT

of retail inflation in general next year, according to the latest review of food manufacturing companies by stock-brokers Phillips and Drew.

The brokers estimate processed food prices will rise an

PROCESSED food prices are average 11 per cent in the next likely to be lower than the rate 12 months compared with an inflation rate of 14 per cent.

Phillips and Drew suggest the pressures on food manufacturers' profitability may be eased because of a more stable exchange rate, falling interest rates, and a slowdown in cost

burg, because of bis medical condition.

By Martin Keeley in Calgary

Energy Review: Japanese investment in Canadian resources

Spate of new deals points to an energy alliance

CANADA AND Japan could coal sale. Japan is also investform an energy alliance in the next decade. For the resourcepoor Japanese, Canada's seemingly ahundant reserves of both energy resources and minerals nology seem very attractive. The Canadian Government's target of 50 per cent Canadian ownership of the petroleum industry by 1990 need not interfere seriously, since the tapanese have been going into juint rentures with Canadian

There is a 20-year history of co-operation in energy between the two countries, but the tempo bas increased io the past fuur years. In recent months several major coal contracts have been signed and commitments bave been made fur lapsnese participatiun western Canadian oil and gas develop-Since the 1973 OPEC nil

squeeze Japan has committed itaelf tu industrial and domeslic conservation, to diversify oil supply, to development of alternative energy sources and promotion of nuclear puwer and new energy technologies. Two years agu it was decided tu convert the country's sleel industry from oil fired furnaces to coal. As a result of the OPEC

squeeze Canada's carbon resources-primarily in

about one of the biggest export

exploration in the Arctic and oil saods development in Alberta. In early Octuber some 40 and initistry scientists and engineers met with officials from nulugy and Research Authority (AOSTRA). The meeting with the provincial guvernment-fluanced agency was about participation in research and development projects. The officials visited several uf Alberta's major oil sands and

heavy oil projects. The Japanese

are also considering investing

in alternate energy development

in Canada, including a \$5hn coal

ing hundreds of millions of dullars in Beaufort sea uil

Commitment

liquefaction plant.

Canada has traditionally supplied coal tu Japan, with several 15-year contracts signed in the late 1960s with some 12m tonnes being supplied annually from Alberta and B.C. Additional sales bave been limited because of insufficient rail transpurt and resulting higher coal prices compared with Australian coal, Japan's other major supplier. However, inadequate purt facilities and labour problems in Australia have made it less attractive as a long-term the west and north of the supplier. Recent commitments country-have become a major target for Japanese investment. by the British Columbia, Alberta The province of Brilish Columbia (BC) is now in the and Canadian Federal Governments to improve rail and port facilities has turned Japanese middle of negotiation with Japan

attentioo towards Canada.

deal, is the resolution of by the Japanese steel comdifferences between four parties panies. to the arrangement: the B.C. ment is committed to spend at Government, B.C. coal companies, the Japanese Govern- port facilities in the province, ment and Japanese coal buyers. The two major issues are the ting up the rest. But the outprice of the coal and rivalry between coal companies in north

Government to share in subsi-

dising rail costs, which would

close the gap between the price

mining deals in the province's Crucial to completion of the asked by Canadian companies calls "unfortunata nonsense." history: a 15-year, \$5bn plus 15-year, !5hn British Columbia and the price per tonne offered Japanese buyers chose north

eastern B.C. and the Kootenays. further south. B.C. bas asked the Federal

least \$50m to upgrade rail and with the B.C. Government putcome of possible subsidy sharing will not be clear for at least a month.

one that the province's coal co-

ordinator, Mr. Graham Kedgley, calls "unfortunata nonsense."

The Federal Govern-The rivalry between coal companies in the two major coal

Calgary

eastern B.C., not the Kootenays, as their source of supply, be says. because it is in Japan's hest interests. There are only two companies—Fording Coat and Kaiser Resources-operating in the Kootenays which both supply Japan through one rail line and one major ter-minal. If a labour dispute hit both operations at once, he points out, Japan's coal supply would be immediately cut. The north eastern B.C. compaoies involved in the deal are Dennison Mines, of Toronto, BP Canada, of Calgary and Teck Corporation of Vancouver.

Mitsui, the largest Japanese trading company in Canoda, recently completed two major deals to sell Albertan and B.C. coal to Japanese steel mills. Crows Nest Resources, owned by Shell Canada Resources, will supply a million tonnes coking coal a year to Japan from its Line Creek, B.C., mine over 15 years. Development has already started, and production will begin in 1983, according to Mr. Arthur Anazawa, Mitsui's Calgary-based Canadian general manager.

The second deal is for Manalta Coal through its subsidiary Gregg River Coal to supply 2.1m tonnes of metallurgical coal a year over a 15year term from the company'a open pit coal mine near Hinton. Alberta. Mr. Anazawa bas been involved in trying to get the Manalta project off the ground for the past ten years and secured the deal in August with final agreements to be signed in

The deal calls for Mitsui and

six leading Japanese steel mills minimum of \$74.8m on the proto buy a 40 per cent stake in the mine which will begin production between October 1982 and April 1983. Although he will not give exact details, Mr. Anazawa says a price per tonne has been established for the first year and this will increase each year based on an escalation formula. Japan has indicated interest

in investing in coal liquefaction

plants in Canada, particularly in the west, and Canada's energy minister, Mr. Marc Lalonde iodicaled in September that foreign investment' would be welcome in this area. Preliminary diacussions on such a project have been going on since January between the B.C. provincial government Japanese interests to build a \$5bn plant to use coal from Hat Creek in the south-central interior of British Columbia.

Japenese involvement in the Canadian oil and gas industry have been increased aignificantly in recent years with both private Japanese oil companies and the Japan National Oil Corporation (JNOC) participating in sevaral

Consortium

Most significant is a \$30.8m investment by Japan Canada Oil Sands (JACOS) a consortium of JNOC and 67 private companies in the first phase of an oil sands research project near Fort McMurray, in north western
Alherta In doing so, JACOS bas
Dome's share of production. carned an option to spend a depending on the percentage of

ject by the end of 1993 by which time it should have a 25 per cent interest in 1.23m acres of

The project involves a new technique for the development of oil sands that are buried too deep to be mined. Electrodes are driven into the ground to beat up the oil sands, then steam injection is used for actual extraction. Canada, . Canada's nationally owned oil company, is operator of the project and other interests include Canada-Cities Service and Esao Resources Canada.

The Beaufort Sea, high up in Canada's Arctic Ocean, hasa Iso become a major target for Japanese involvement. JNOC recently signed a letter of intent with Dome Petroleum, one of the country's largest integrated independents, to invest \$400m in exploration in the Beaufort over the next two and a half years. The loan will be repayable from a production share of the first three oilfielda developed, although exports to Japan are conditional on approval by the Canadian National Energy Board (NEB), which regulates Arctic energy development, that the volume is surplus to Cana-

dian needs. The \$400m will be spread over three years and will finanuce between eight and ten offsbore wells. JNOC also has the option to grant development loans for the three fields and

development costs covered by the loans.

The Japanese bope, of course, that their commitment will persuade the Canadian Governeventual production, either by gaining direct access to future oil production ar by entering iπto which Japanese investors would Canadian oil for the output of producers closer to home. A possible scenario is that takers normally bound for Tokyo could be diverted to eastern Canada in exchange for ship-ments to Japan through the Bering Strait.

Nuclear hope

Japan's interest in muclear technology has been revived recently and the country hopes to increase nuclear power generation in 15 per cent of total electricity output by 1990. The country's power companies and the Ministry of Inter-national Trade and Industry have been pressing for purchas of Canada'a Candu's reactors a bridge between existing an future Japanese technologies But Japan's atomic energy co mission turned down the Gu in 1979. The decision may still be overruled, but it wou have to come from the Print Miniater's Office.

Whether or nut Japan decide to purchase Candu it is eva that in every other area of the Canadtan energy nesoure industry the flow of Japane

Cia Butt. $A_{\tau=3\,\tau=901}$ "in the fine Dafai Ltd ; Contrast | Consultant

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Evening News

rejected



Evening News a victim of pressures of contraction

THE London Evening News yesterday contained the type of commemorative material which it would have carried to celebrate its centenary

This week is the news-paper's last chance to reflect, slightly prematurely, on its hear-century of publication because the anniversary will never be reached. Today's editions of the Evening News will be the last, ond there will then he no city in Britain with more than one evening news-

Things were once very different, as the Evening News Itself pointed out yesterday. When It was launched on to the streets of Victorian Landon on July 26, 1881, it was one of six evening news-

papers. There were three until 20 years ago, when The Star vanished into the Even-

Next week the same process of contraction will absorb the title of the Evening News into the lower-circulation Evening Standard.

As o write in the News could not resist commenting yesterday: "That we must go yesterday: "That we must go —just disappear — seems incredible. We still retain Britain's largest evening sale. We continue to be hought by 442.000 Londoners every night. This means that this issue will be read by more than a million because that is the number who read our ls the number who read our paper every night. We are still preferred by the majority of the public to the



iting on the newsroom wall: " Good bye all."

vived they would have pro-duced combined losses of about £18m.

Declining revenue and increasing news-print, labour, production and distribution costs have drained the profit from classified advertising, very much the slaple diet of the

London papers.
In oddition, they have been forced into a smaller radius hy new evening newspapers in parts of the Home Counties where the London evenings once foced no competition.

If the new Evening Standard circulates without competition—and there is no guarantee that a rival paper will not eventually he

launched—the problems which have made both London evening newspapers into loss-makers should largely disappear.

As experience in provincial centres has demonstrated, monopoly evening newspapers are strongly-placed for profilability. Not only will the advertisement income of the curvivar he for more of the survivor be far more secure, but it will if necessary he hetter placed to make savings in areas like edition changes and sale promotion

campaigns.
The restyled Evening
Standard will belong to a new company owned jointly by Express Newspapers, owners of the Evening Standard, and

Associated Newspapers, which owns the Evening News. Lord Matthews, chairman of Express Newspapers, will be its chairman.

While the final appearance today of the Evening News will conclude years of specu-lation about which of the two would finally succumh to the trend throughout Britain over the past two decades, the cost of the exercise has been heavy. Nearly 1,800 jobs will

It is expected that the circulation of the new Evening Standard will settle at 600,000 to 700.000. Even if It proves profitable, this is a far cry from the days when the red, yellow and green vans of the

Star, News and Standard raced to he first on the streets with their total of nearly 4m coples each day—and even further from the days of little remembered names like the Pall Mall Gazette and the Globe which were familiar in the early years of the Even-

National union leoders and

shop-floor representatives have been called to a meeting at Express Newspapers this afternoon at which an important statement on economies is expected to be made. Mr. Jocelyn Stevens, deputy chairman and managing direclor of the company, will address the meeling. The

Daily Express, Sunday Express and Daily Star as well as the present Evening Staudard, has for some time heen lrying to obtain unlon agreement on production economies in the Daily Star. While the possibility of ending Daily Star production in London reverting to Manchester, where the newspaper origi-nated—has been the subject of speculation, it is possible that the company will today ask the unions for a fresh opproach to economics in return for an undertaking to continue printing in London. Indicatious ore that the company will demand a positive union response to its propo-sals within obout a week.

French bank to finance mortgages in Britain

By Michael Lafferty, Banking

A LEADING French commer cial bank and a Scandinavlan consortium bank are to provide mortgage finance in the UK through a link with the Skandia Insurance Group of Sweden. It is thought to be the first time to the industrial costs. that a French bank has taken any interest in personal lending | Chemical in the UK market.

The mortgages, linked to through a company called day. Skandia Financial Services. The capital of the new con owned 60 per cent by Skandia UK Insurance, a wholly-owned subsidiary of Skandia; 25 per cent by Banque de Paris et des Pays-Bas, and 15 per cent by Scandinavian Bank, a Londonhased consortium bank with major Scandinavian hanks as

shareholders. Skandia Financial Services says that it will be able to provide mortgages on terms similar to those on offer from the hig London clearing banks.

Mortgares of between £10,000 those in the next bracket, up to want to use the NGLs in exist-17 per cent.

Skandia says it will offer residential mortgages up to £50,000 and commercial mortgages up to £200,000, with repayment periods ranging up to 25 years.

Mr. Ron Williams, managing director of the new company, said yesterday that it was "selfevident that the demand for nortgaces was not being met in the UK. He had previously been treasurer of HFC Trust, one of the new U.S. retail one of the new U.S. retail fell 6.6 per cent in the June-banking entrants to the UK August quarter compared with market. market.

Williams said the Skandia endowment mort-gazes were only suitable for people paying above the standard rate of income tax. Accountants, solicitors, dentists and doctors would be ideal

Michael Cassell writes: Any reduction in the cost of home The UK's crude oil production loss could still be several fell 6.6 per cent in the Junemonths away, according to the August period to 19.6m tonnes—

Woolwich Building Society. Sir Oliver Chesterton, chair-man of the Woolwich, said in London yesterday that interest rates generally would have to come down by at least 2 per cent efore the societies could contemplate a cut in mortgage rate. | 7.7 per cent

Fight over gas supply for petrochemicals

BY SUE CAMERON, CHEMICALS CORRESPONDENT

that it must decide before chemicals Christmas on the use of North Scotland. Sea gases as petrochemical raw Shell, Es

Senior executives of Imperial Chemical Industries, Shell into operation much more Chemicals UK, BP Chemicals quickly than any of the altarand Esso Chemical delivered the native proposals. They said the Skandia endowment assurance warning at a meeting with whole scheme could be started policies, will be made available Cablnet ministers on Wednes- up within three years.

> Mr. George Younger, the Scot-The meeting was the latest as soon as it was completed.
>
> move in the hattle to obtain They told the three Minist North Sea natural gas liquids

and £25,000 would attract gas gathering pipeline. The interest at 163 per cent, while fight now is between those who

—NGLs—for use as petrochemi-cal raw materials. plan to huild a new North Sea

The Government has already given the go-ahead for a £1.1hn

Energy use

by 6.6%

Correspondent

cal bulletin.

By Martin Dickson, Energy

BRITAIN'S energy consumption

largely because of the recession.

The higgest drop was in oil consumption which fell by 10.6

per cent. Coal use dropped 4.2 per cent and natural gas 0.4 per

cent, according to the latest issue of Energy Trends, the Government's monthly statisti-

1.4m tounes less than the same period of 1979.

temperature corrected figures show an even higger fall in

energy use during this period. Total consumption was down by

Seasonally adjusted

CHEMICAL industry leaders ing plants and those who want have warned the Government to use them to make petro-longer the UK would have to that it must decide before chemicals in new plants in wait to earn money by adding Shell, Esso, BP and ICI told

paper that replaces us next

The current circulation figures of the two London evening newspapers — the Evening Standard sells about 371,000 — ore a fraction of their former glory. In the early post-war years the three London evenings had a comhined circulation of nearly 4m, the Evening News lead-

4m, the Evening News lead-

ing the trio with what was then described as the largest

With the falling circula-

tions have come rising losses. The Evening News lost £38m in the five years leading np to the announcement of its closure this month, and if the

evening sale in the world.

building an onshore pipeline to the ministers that their plan for the south, and for converting their existing plaots to take gas where necessary, could be put

day.

The four said they could start
They also told Mr. David using North Sea gas to make
Howell, the Energy Secretary, petrochemicals as early as 1983. They would initially use gas tish Secretary, and Sir Keith from the FLAGS line—the Joseph, the Industry Secretary. North Sea's Far North Liquid of their latest plans for bring—and Associated Gas System—ing the gases south to he used and then switch to NGLs from in existing petrochemical plants. the new gas gathering pipeline

decision as to whether the local would go south or not. They also asked the Government to decide speedily on a pricing fordecide speedily on a pricing fordeci

a decision was put off, the wait to earn mooey by adding value to its North Sea gas liquids. The four estimate that every year which passes without the ethane heing turned into petrochemicals would cost Britain at least £100m and pos-sibly as much as £150m, because of the higher cost of producing the alternative of-based feed-

response to a Government coal and oil supplies.

request for a proposal—in July.

But the U.S.-hased Dow groop
and the UK-based Highland 200,000 tonnes of oil this year

They told the three Ministers their plan would cost under flaom. But they warned them that they must have a quick decision as to whether the NCT.

Hew petrochemicals complex at at market rates.

Nigg Bay, using the ethane at market rates.

In the absence of an agreement, the Government has now decided to provide Greece with a feedstock for making petrochemicals at o proposed plant of this usual that they must have a quick decision as to whether the NCT.

British Sugar set to reject. EEC's £0.75m energy offer would be worth about £150m. GEC would he in overall charge

BY MARTIN DICKSON, ENERGY CORRESPONDENT

£770,000 in grants and loans for the conversion of one of its conservation schemes, agreed to the conversion boilers from oil of the conversioo—£250,000 in of the conversioo—£250,000 in loans.

THE BRITISH SUGAR Corpora- coal firing at the earliest tion seems certain to turn down opportunity. involve guarantees from the an offer from the EEC of The EEC, which provides National Coal Board to supply funds to industry for energy

grants and £520,000 in loans.

But the corporation said yes-The decision will be a setback terday that after taking a fresh in the National Coal Board's look at the project the company strennous efforts to get British was now unlikely to go ahead, industry to convert from oil to largely hecause of the cost

Britain woos Greek power deal with oil offer

By Martin Dickson, Energy Correspondent

THE Government is to provide Greece with a 70,000 tonne cargo of North Sea oil in an attempt to woo Athens into placing a firm order with Britain for a 700 MW power

The mova follows nearly a year of inconclusive negotia-The foor originally wanted tioos between the two countries all the NGL streams—ethane, on a deal under which GEO propage and hutane—to be would win a contract to build brought south. They suggested the coal-fired power station in this in a plan put forward—in return for British guarantees of

UK would provide Greece with Hydrocarbons have put forward and 500,000 next under a rival schemes for huilding a renewable contract, with prices new petrochemicals complex at market rates.

this will help persuade Athens to place a firm order.

The cargo, which will be shipped by the British National

Oil Corporatioo next month, would form part of the 200,000 tonne total Britain might provide this year. But it was stressed in Whitehall last night that no more oil would he sent if a contract was not aigned.

of the project and supply the two 350 MW turbo-generators, with Babcock supplying the boilers. The deal would also Greece with 1.5m tonnes of coal a year over the next 25 years. Mr. John Nott, the Trade Sec-retary, made strenuous efforts to secure agreement during a visit he paid to Athens earlier this month, and the issue was also raised during a visit to Greece in September by Mrs. Thatcher, the Primie Minister.

Claret sale tests the market

BY EDMUND PENNING-ROWSELL

CHRISTIE'S sale yesterday of fine hat not exceptional clarets provided an oppor-tunity to test the market in present climate of

Although there were rather more trade vendors than usual, there was no shortage of trade buyers either, and prices were firm with some at least making their best this

prices were not achieved. in real money terms, bargains were to be hadparticularly in the successful vintages of the 1970s.
With all prices given per dezen bottles, the few '61s included Brane Cantenne at £190, and Giscours at £185.

The former include Lafite However, last year'e top Monton - Rothschild

A PRINT by Sharaku of the while a house sale conducted by actor Segawa Kikunojo, pro-duced just before 1800, sold for an Arah scene dated 1886 by

auction of Japanese prints

at Sotheby's yesterday. A print hy Hokusai, The Great Waves

from the series Thirty Six Views of Fuji, made £9.500, as did a complete 30 volumes of the

illustrated Heike Monogatari

(£310) and Margaux (£240); the latter, Ducru-Beaucallou (£165), and Leaville las Cases and Beychevelle (both £150). The '70 first-growth ranged from Latour at £300 ta Haut-Brion at £190, while the lesser classes went from £130 for Palma and £125 for Lynch-A hig range of '66s showed the usual disparity between the first-growth and the rest. Bages to £82 for Montrose and Pape-Clement. Thet op price of £165 was achieved by Mouton Roths-child and Cheval-Blanc.

Sharaku print fetches £24,000

SALEROOM

BY ANTONY THORNCROFT

produced in about 1700. A Utamaro print of a mother suckling her baby realised At Christie's a lignum vitae side table of the 17th century felched £3.200, while in New Belgravia auction house. A four-In an ort nonveau sale at York on Wednesday Christie's tiered lacquer shodana sold for Phillip's yesterday a painted sold a modern U.S. gold salver £7,000; a pair of Shosei Shiba-bronza and ivory figure Snake weighing 58 ounces for £11,250 yama lvory vases for £6,500, and Dancer by Prof. Poertzel and Koopman of London a pair of Shibayama vases of doubled its forecast at £4,100 acquired a pair of George III about 1880 for £5,300.

two-handled soup tureens by Thomas Robbins for £10,833. An duced just before 1800, sold for an Arab scene dated 1886 by English gold open-face chrono-£24,000, plus the 11.5 per cent the German artist Rudolf Ritter graph by Charles Frodsham went huyer's premium and VAT, in an auction of Jananese prints

A total of 126 mude studies believed to have been used hy Toulouse-Lautrec sold for £2,300 at a Christie's South Kensington sale of photographs. A study of a young how hy Roger Fenton was bought by a U.S. dealer for £1,400.

Sotheby'a also disposed of Japanese works of art at its

Consumers' Association opposes' increased textile protection

company, which produces the

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

import controls,

THE Consumers' Association yesterday lannched a campaign against attempts to tighteo textile import curbs when the present controls expire oext

The association said the industry not only wanted a new 10-year multi-fibre arrangement on textile imports but also wanted the controls tightened to help prevent further cuts in the

Imposition of quotas imposes a long term viability can only be Alec Smith. geoeral secretary

paper on the effects of textile said.

This showed that between 1978 and 1979, the price of adults' clothes covered by the present controls rose by 37 per cent while the price of similar UK merchandise rose by about the costs of protection similar 24 per cent.
Import controls were also lneffective io saving jobs, the

association claimed, except in the short term.

UK industry.

But the association said it was opposed to any strengthening of the controls "hecause the controls" hecause the controls "hecause the controls" hecause the controls "hecause the controls" hecause the controls "hecause the control "hecause

out that "protection is an easy option for governments since

in Australia and the U.S.
"Only in this way can protection be evaluated as a policy option," It added.

the monitoring undertaken

hidden sales tax on consumers assured by developing and of the National Union of who pay for protection through higher prices in the shops."

The association hacked its opposition with a hackground loss of jobs," the association for those consumers who are

Europe seeks fairer fibre tariffs

lar the United States-and the the high tariff harriers operated need for a fairer sharing of the by the U.S. and by Canada, hurden of low-cost imports now South Africa, and Australia seem to be major planks in the against textile imports. These, platform to he adopted by the European textile industry in the approach to next year's re-negotiotion of the GATT multifibre arrangement. speaking to the Irish Textile
In a speech in Duhlin yesterFederation, said Europe pro-

day, Mr. Ian MacArthur, direc- vided the largest outlet by far developing world."

he said, had kept penetration by low cost suppliers at much lower levels than in Europe. Mr. MacArthur, who was

HIGH TARIFFS in other tor of the British Textile Confor the textile and clothing prodeveloped countries—in particu-federation, strongly attacked ducts of developing countries ducts of developing countries. offering them guaranteed annual growth and very low tariffs or

> "We have now reached a point where we can no longer go it alone in accepting ever increasing imports. It is time for the U.S. Canada, South speaking to the Irish Textile Africa and Australia to open

"The tenant on the fifth floor is cutting up rough again"



Tenants these days, know their rights and are prepared to fight to accure them. Though in itself a natural renction. this can be very time consuming for property managers, who have plenty to do without spending long hours soothing ruffled rent-payera. Many property managers when inced with this problem, do the sensible thing

properties, negotiate your leases, and

If you are a tenant, of course, we can

take all the gritty bits off your plate.

and take professional advice. We can manage and maintain your help you too. You may well he cutting up rough inr good reasons. If so, we can apare your Company Secretary or Managing Director is lot of nervous atrain—and maybe nableve n better result than he would have obtained, without the worry.
Whichever side of the lease we're

on, Fuller Peiser make a powerful, professional and effective ally. If you'd like to know more about us, further details are available from the Senior Portner, Mr I.E.G. Peiser, FRICS at the address below.



Professional property advisers to industry and commerce.

South East Regional Head Office: House, Havelock Road, Hastings, East Sussex Tel. 0424 422545/427603



OUR SECOND ONE-DAY SEMINAR

A full-size mock-up Dafal Churchill Mark IV Nuclear Shelter

equipped with Swiss Luwa Filtration Equipment will be exhibited at 12.30 pm.

Cold Buffet and wine will be served at 1.00 pm at the Old Golden Cross adjacent to Queensbury House.

As at our first seminar, delegates will be addressed by numerous distinguished speakers on the subject of Dafal Home Defence for all.

Dafal Ltd proposes to grant licences to approved contractors throughout the UK and abroad for the installation of the Churchill Mark IV Nuclear Shelter designed for Dafal Ltd by International Civil, Electrical and Mechanical, Engineer

Consultants. Those seeking to attend on the 5th November 1980 are recommended to telephone for reservation.

will be held at Queensbury House on Wednesday, 5th November 1980 commencing

warning to Thatcher on pay deal

yesterday arned the Govern make political capi-the fact that the deal giving an 8.2 increase in national rates was in single

> Ministers bave seen leal as evidence of a new among trade unim

at Mr. Terry Duffy, presiit of the Amalgsmated Union Engineering Workers, and mior negotiator for the industry's 17 manual unions, said after the uniona had approved forthcom the deal yesterday: "We can service. say to the Prime Minister that the only reason we have not gone for further increases or have been on a collision course is because we have recognised the parlous state of the industry hecause of the effects of the Government's monetarist poli-

The deal, finally signed yesterday, raises the national minimum rate for skilled workers from £73 to £79 a week £52.50 to £56.80, with corresponding 8.2 per cent increases for the semi-skilled.

The General and Municipal Workers Union was unhappy with the semiskilled provisions and yesterday, with the Sheet Metal Workers' Union, it voted against its acceptance at a

But whan that vote was lost, the GMWU agreed to support a motion accepting the deal, though the sheet metal workers atill held out. In the final vote. however, it was accepted with-

Civil Service pay unit is urged to release reports

CIVIL SERVICE unions have requested the service's Pay delivered." collar civil servants are normally based, in spite of the Government's decision to suspend the pay agreement.

primary aim of the suspension of the pay agreement for this year was to prevent the delivery of the reports. These will show due rises substantially higher than the amount for pay which is to be provided under the forthcoming cash limits for the

The unit is independent of the Civil Service Department. though staffed by civil servants. But Lord Soames, the Lord President of the Council, who is the Minister with day-to-day responsibility for the service, told Mr. Vernon Morgan, director of the unit, that following the suspension of the agree-

comparability reports, on which the unions to tell them the Soames to stress the "devastatpay rises for the 550,000 white- reports, due from November 15. would not appear.

The Council of Civil Service Unions has instructed its solicitors to take the necessary The unions' request could legal action to secure their embarrass the unit, since the delivery. As a first step the unions' solicitors have written to Mr. Morgan asking for the release of the report, though the unit is unlikely to reply without consulting the Treasury Solicitor.

> decided to suspend the publication of the Government Actuary's report on the contrihutions paid by civil aervants towards their pansions, since the Government considers there will now be no reports from which the Actuary can work. A Government inquiry on pensions is expected to report next

The union's council is calling ment, "it will not he appropri- a series of protest meetings

ate for the reports to be next month against the decision to suspend the pay agreement, ing effect" the decision would have on industrial relations in the Civil Service.

Mr. Bill Kendall, secretary general of the umbrella body, said the suspension was "clearly and unashamedly in breach of the pay agreement." He wrote: "The Government have frequently complained about unions not honouring agreements and obligations. Your complaints cannot ba reconciled with your own record as an employed."

Tha aim of the system was to remove the service from politics, but the decision hreached that.

Mr. Kendall warned that the unions intended to channel their members' resentment into 'the most effective means" of securing a fair deal. Industrial action is unlikely, however, at least until early next year.

Troops man Frankland prison

BY OUR LABOUR STAFF

THE half-finished Frankland Metal Workers' Union, it voted against its acceptance at a meeting of the CSEU executive.

prison in County Durham was manned by troops yesterday ready to receive its first hatch of prisoners transferred from police cells. The move is part of the

Government's plans to combat the effects of industrial action over meal-break payments.

The first day of sympathy Ulster magistrates to hear cases action by prison officers in without remand Northern Ireland meanwhile appearing in court. meanwhile little disruption hrought although fears that the action will add to tensions in the province.

The Government acted swiftly by prison officers in the dispute on Wednesday night to introduce

Memhers of the Prison

Officers' Association are refusing to accept new remands, new committals or returned remand prisoners in line with the an order in council to enable leagues in England and Wales.

Water men to draw up strike plan

By Nick Garnett, Labour Staff UNION representatives of 2,000 manual workers in the water industry in Wales yesterday voted in favour of

preparing plans for industrial action in support of a pay rise worth about 30 per cent The meeting endorsed the claim for an across-the-board increase of £20 a week, con-solidation of an efficiency pay supplement, five weeks annual holiday and a 35-hour week. About a quarter of those

Weish water workers who are members of the National Union of Public Employees were represented at the area meeting. NUPE is the biggest water industry union in

and sewerage Water workers are again causing difficulties for employers before the start of negotiations, as they have done in

the past twn years.

Last year Welsh water
workers took the lead in
threatening industrial action
over pay. They showed themselves to be more aggressive over pay than their colleagues in England when they turned down the eventual settlement of 21.4 per cent. Negotiations with

employers side of the national joint industry council are due to begin in the middle of next month. A settlement for the 33,000 manual workers in the industry is due in December.

The employers have already said the industry has come under increasing pressure from consumers-

They say there is little money for a wage settlement from capital expenditure cnts.

One day stoppage in Cunard flag dispute

BY PAULINE CLARK, LABOUR STAFF

LEADERS OF the 39,000-strong traffic as well as preventing flags of convenience. National Union of Seamen yesterday approved a one-day national strike on Monday and gave a warning that more action will follow after the breakdown of negotiations with Cunard in the dispute over flags of convenience.

The breakdown re-opens the possibility that Lord Matthaws, chairman of Cunard, will go ahead with his earlier threat to sell the company's cruise ship fleet, including the QE2, in the face of industrial action by sea-

An executive maeting of the union also decided to continua its hlacking of all Cunard ships after formally rejecting the company's latest peace initia-

The stoppage on Monday ia expected to paralyse British-

fieet have already been stranded. aome for over a week, because of industrial action taken by NUS members.

Mr. Jim Slater, general secstrong executive meeting bad British' campaign. voted unanimously against Cunard's three cruise ships would be transferred to the foreign flag instead of two as originally proposed.

The ships involved are the Cunard Countess, now stranded and the Cunard Princess, already flying the Bahamas flag and sailing with a foreign crew. Mr. Slatar said the union was determined that neither should ha allowed to operate under

The move would cost jobs for movements of British cargo. The move would cost jobs for ships. Four of Cunard's cargo. British seamen, he said, and would encourage other lines to adopt a similar policy and thus lead to a reduction in the British mercantile fleet. "Wa bave instructed our members to retary of the NUS, said a 15- strike as part of a keep Cunard

"A third of the world's for acceptance of a compromise for nage is under flags of conmula under which only one of venience and that constitutes a major martime hazard already. Flags of convenience carry no effective Governmental control so this breeds pollution, chean labour and poor seamanship They are a maritime mafia. It in Barhadoa by an NUS sit-in; is racialist, discriminatory and exploitive."

Although the union said it would listen to any new initiative from Cunard, the company had no comment to make last

European textile industry crisis talks break down

MR. ALEC SMITH, general that his unlon, along with secretary of the National Union others in the Community, had Workers, said his confidence in Brussels to wake up.' the EEC Commission had been would include industria shattered following a meeting yesterday with Community officials on the crisis in the European textile industry. The meeting between the

officiala and European textile unions ended abruptly within half an hour when the unions said it was useless to continue. . Mr. Smith said afterwards by the Commission.

of Tailors and Garment to take "direct action to force would include industrial action. The meeting had heen arranged to discuss the Multi-Fibre Arrangement which runs out at the end of next year. The NUTGW said the attitude of the Commission officials yesterday indicated that the renegotiation of the arrangement had heen relegated in importance

BY IYOR OWEN

board.

the possible consequences of a

strike hy stressing that it could

only result in causing new damage to BL's image at home

and ahroad. Nodding in agreement, the Prime Minister commented:

We are ohviously very much

concerned that just when BL

has a super new car which we have all heen doing our very

best to promote, there looks as

if there may he the threat of

In insiating that negotiations

must be left to Sir Michael

Edwardes and the BL hoard, ahe added: They have been

very successful up to data and

I hope that they will he successful in hringing BL through this particularly difficult period.

Mr. John Hannam (C., Exeter) suggested that BL workers should be remired.

workers should be reminded

industrial action."

Industrial action

Productivity talks to break rail deadlock

BRITISH RAIL will meet leaders of its three unions next month to try to break tha deadlock which it feels is impeding progress on the longer-term aspects of BR's proposals for improving productivity, which BR officials see as crucial

The executive of the largest rail union, the National Union of Railwaymen, yesterday resolved to take part in no national level talks on produc-tivity before the rail council meetiog in mid-Novembar.

UK NEWS - PARLIAMENT and POLITICS

BR call for commitment on Chunnel

By Lynton McLain, Transport

BRITISH RAIL told MPs yester-day, it wanted to see "soma firm commitment from the Government" ahout the BR/ French Rail proposal for a Channel tunnel within six months of the scheme being considered by the full British Railways hoard in January.

about the project would make such a difference to the way the private sector regarded the British Rail proposal, Mr. Derek Fowler, the board mcmber for finance, told MPs on the House of Commoos Select Committee on Transport.

The private sector is crucial to the future of British Rail's plans for an £800m (at Decemher. 1979 prices) single bore rail-only tunnel. This is because the Government has said any new Channel tunnel project must be financed by

private capital. British Rail said it bad talked with the hanks about financing the project, and was getting sufficient encourage-However, Mr. Fowler aaid the

Board did not want to give the impression that "all of it could financed from private "It would be unrealistic to expect 100 per cent risk capital being available for the tunnel

project," he said. He added that "if things just drift along for another year," we Lahour movement, yesterday would find it very difficult to endorsed earlier calls from the interest the private sector in financing the project British Rail told the MPs that

it could not give a "figure for the cost of the project today." But it would involve an extra £100m. nn top of tunnel costs. for the development of station terminals in LonCan.

Mr. Fowler said: "We would find it difficult to talk this morning about the risk involvad such an emergency package in the project." However, the would do no more than "help financial risk in the construction phase of the tunnel pro- hrought about hy Government ject would be "very high, but policies." less so when the tunnel hecame

that the tunnel could be "ahan- hig reduction in the value of doned," a risk that would have the pound and the allocation of to be identified separately, BR at least £450m for employment

The risk during building was

operational."

Thatcher stands firm on necessity of cuts BY IVOR OWEN

some ways she regretted that by Mr. Denis Healey, when as Labour's Chancellor, ha called for public spending to he reduced by fahn in one year.

normally reticence employed by Prime Ministers when questioned about the before Cabinet but. despite being pressed by Mr. Michael Foot, the deputy Labour leader, declined to identify the areas where the principal economies are likely to be made.

Six-point

economy

THE NATIONAL Council of

Lahour, the forum which brings

together all three wings of the

Lahour Party and the TUC for

an emergency programme to cut

unemployment and take Britain

out of recession.
The Council, which brings to-

gether leaders of the Labour Party, the TUC, and the Co-

operative Union, put forward a

situation in the short term.
It stressed, however, that

to atem the economic collapse

Included in tha six point

plan were proposals for cutting

interest rates by 4 per cent, a

and training schemes.

six point plan to improve the

plan on

By Elinor Goodman

IN THE wake of yesterday's lower interest rates was again discussion by the Cabinet of the her main theme. The wake of yesterday's lower interest rates was again eriment always stands firm on measures the Government in-result of Government policies, that absolutely. We will not go tended to take to alleviate their Mrs. Thatcher replied that

cuts in public expenditure programmes being demanded by the Treasury, the Prime Minis-ter mada it clear in the Commons that she would like to see the economy axe hite even deeper than now proposed.

She did so by saying that in tha Cahinet was not faced with same objective as that set Mrs. Thatcher dispensed with

The fact that lower public spending and lower public borrowing will open the way for

Mr. Geoffrey Rippon Hexham), one of the leading advocates on the Government backbenches of an early cut in interest rates, was cheered by Labour MPs when he forcefully stressed the dangers associated with the Government's monet-

ment was due to the fact that ment, when repeating his earlier the cost of public borrowing and unemployment was so high. Mr. Rippon feared that the Government was in danger of creating a society in which money lending was the only

profitable venture. The Prime Minister retorted that there must he no question of printing money to try to get an artificial boom, which would lead ultimately to higher inflation, hyper-inflation and higher unemployment.

WITH ABOUT helf the votea

cast in the Labour leadership

contest last oight, the two sidea of the party clashed over

the system to replace the exist-ing method of electing the

The Right-wing grasa roota organisation. Campaign for Labour Victory, last night formally launched its campaign to stop the National Executive

getting the kind of electoral

college it wants approved at the

special conference in January. In place of the NECs elac-

toral college, the CLV proposed

giving all registered party mem-

hers a vote in electing the

laader, as the least objection-

able way of implementing the conference vote to widen the

The CLV, led by Dr. David

Owen, one of the "gang of three," made it clear last night,

however, that in their view the

existing method of electing the

leader was still the hest one.

electoral franchise.

io for printing extra money Mrs. Thatcher assured Mr. Rippoo that she shared his

desire for lower interest rates, but insisted that the "key" to getting them down was to reduce the amount of borrowing tarist strategy.

He asked tha Prime Minister
if she agreed that the sharp rise
in the money supply and the money supply and the report
in the money supply are the report in the report
in the money supply are the report in the report
in the money supply are the report in the

> warnings that further cuts in public expenditure must lead to an additional loss of jobs. The Prime Minister replied that the way to achieve longerterm prospects for good johs was to make the defeat of infla-

Labour Right-wing proposes

But, if the "narrow and disputed decision" of the con-

ference had to he implemented,

then the best way to do so was

to open it up on the basis of

than merely extending the franchiae to Lahour party

activiats and trade unions as the

NEC wants.
The CLV will now try to

persuade local parties — and more importantly trade unions

-to take up its proposal and so

force it on the agenda for the

Lahour MPs will discuss the

issue for the first time since the

October conference at a special

meeting next week. A similar

proposal for giving every party

will find it very difficult indeed

to agree on any one proposal in

More important to the CLV is Healey.

forward by Mr. Joe Ashton.

special conference.

the time available.

"one member, one vote," rather

one member, one vote plan

tion the top priority. Mrs. Thatcher reiterated her determination to avoid premature reflation when Mr. Gordon Bagier (Lah, Sunderland South) told her that those who had jost their johs in the north east and To cheers from other Tory

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

problems.

Again asserting that in the long run good johs must depend on the conquest of inflation, the Prime Minister stated: "If we go the way successive Governments have gone in the last 30 years by reflating and printing money, then each tima we finish up with a higher level of un-employment and a higher level of inflation.

"We have to break that cycla once and for all."

Mr. Arthur Davidson (Lab. Accrington) protested that the Prime Minister should feel ashamed for pursuing policies which had brought record levels of unemployment to areas which had never known high unemployment hefore.

Amid Lahour cheers he called on her to stop lecturing his constituents about high wages wheo they have never had high other parts of the country wages and were still being pay not matched by increased wanted to know what practical thrown out of their jobs as a output.

getting the support of the hig

trade unions, which ultimately

will decide on which-if any

new system-should be adopted.

that there was considerable

for the idea of giving all party members the vote. The CLV rejected the Left's claim that

such a change would have the

trade union members
As Lahour MPs began leav-

ing Westminster last night for

the weekend, the managers of the four contenders for the

leadership-Mr. Michael Foot,

Mr. Denis Healey, Mr. John

reckoned that about half the

Their sounding indicated that

hut that there would almost

certainly bave to be a final run-

off hetween Mr. Foot and Mr.

Silkin and Mr. Peter Shore-

votes had heen cast.

But the signs are that the Mr. Healey was getting his Parliamentary Labour Party expected lead in the first ballot,

effect of disenfranchising many

Last night, Dr. Owen claimed

a threat to BL's nothing could alter the fact that British industry needed to recovery, says PM become more competitve. "There is absointely no way

sba said. Backed by Tory cheers, tha Prime Minister contended that BL's WORKERS were urged reflation was the only alternative policy being offered by Labour leaders and warned that to adopt it would "catastrophic."

out of that fundamental truth,

Mr. Geoffrey Robinson (Lab., Coventry North West) argued that so long as sterling remained tha la overvaiued to its present Metro. extent, there was no chance "We whatever of whole sectors of British manufacturing industry hecoming competitive.

Mrs. Thatcher maintained that only one third of the sharp fall in Britain's competitiveness could be attributed to the value of sterling. The other two thirds, she said, was due to increases in

Conflict on defence cuts widens

By Elipor Goodman

THE ALL-PARTY Select Committee on Defence looks set to get involved in the controversy over the possibility of hig cuts in defence spending next year. Yesterday, the Ministry of Defence and the Treasury were still deciding whether to agree to the committee's request to provide it with coples of all the documents leaked to the Press revealed the negotiations over the Treasury's request for a £500m cut in expenditure next

But even if these papers ara withheld from the committee, it seems likely that its members will want to examina the implications of possible cuts as part of its ongoing inquiry into strategic nuclear weapons

Mr. Francis Pym, Defence

Secretary, is resisting the cuts strongly in hilateral negotiations with the Treasury.

post for Butler

DEPARTMENT

Industry yesterday sought to strengthen its bid to be given strategy" for the Govern-ment's information technology activities, which are at present spread around several Whitehall Ministries.

Butler, Minister of State for Industry, is to be responsible for the departments own work on information technology which spans developin computing ments

Mr. Butler will eventually be given general responsibility for

deputy secretary. It is considering what action the Government nological developments in tha UK at a time when public funds for spending on industry are extremely limited The department has act up a

The division is also responsible for sponsoring the elec-tronics industry (other than automation and instruments) the computer industrys. hardware and software, electronic components, telecommunica-tions, electronic consumer and capital goods, broadcastias-equipment, office equipment, and paper and film for office the chairmanship of Mr. Roy equipment.

'Spot the wets' time

By John Hunt. Parliamentary Correspondent A DEFIANT Mrs. Thateher tald the Commons yesterday that appeasement always had the same result-"it gives ancouragement to a potential aggressor. That is why this Government will never go the way of appeasement"

The Prime Minister's remarks concerned the nuclear threat from the Soviet Union that might just as well have been aimed at the Tory backbenchers and Cabinet ministers-who are critical of her economic policy.

She was replying to Mr. Robert Adley (C, Christ-church and Lymington) who remains an ardent member of the diminishing band of Conservative loyalists.

He had attempted to put the hounds off the scent by diverting questions away

from the grim domestic scene and into the safer area of foreign affairs. But MPs were not having it and relentlessly kept np their inquisition on high interest rates and unemploy-

These frequent exchanges have taken on the quality of a formal ritual. The Opposition paints a hotsifying picture of the coming Gotterdamerung. Mrs. Thatcher stands her ground and declares that "our" policy is the only pos-

sible answer to Britain'a The interesting thing is to discover who on the Govern-

discover who en the Govern-ment side of the Hnuse still believes in "our" policy. This game of "spot the wet" requires great patience and Yesterday, for instance, Prime Minister'a questions had scarcely begun before Mr. Geoffrey Rippon (C., Hexham) was on his feet demanding lower interest rates. Nn marks for Spotting him. He had blown his cover some days ago by setting out his critique of Government pulicy in a letter to The Times. But for those who remained

to listen to husiness questions, a fascinating cameo was provided by the elegant Mr. Norman St. John Stevas, leader of the House and Chancellor of the Duchy of Lan-

Although retaining his adulation for the "blessed Margaret," he now counts as a wet, as the result of a critical speech he made during the Conservative party con-

Mr. Ioan Evans (Lab.,

Aberdare) wanted to know if It was true that the Government was likely to introduce au autumn Budget soon after the new session of Parliament starts next month. . According to Mr. Evans, even Professor Milton Friedman now disowns Government policy.

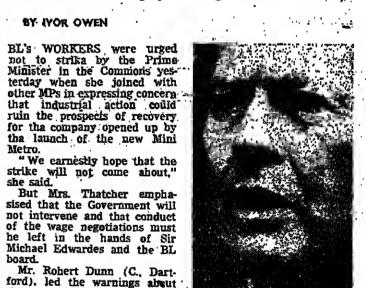
Looking disdainfully down his nose, Mr. St John Stevas replied that he was not familiar with the works of Mr. Friedman. With the resigned air of a man who would probahly be the last to get the news, ha said he had heard nothing about a Budget and felt sure the Chancellor of the Exchequer would have let

him know. Another potential rebel worth watching was Mr. Peter Walker, Minister for Agriculture, who could be heard disclaiming any intnention of starting a civil war. Could it he that ha had renounced his hankerings for the policies of Mr. Heath and embraced the stern gods of monetarism? Not at all. He was merely droning on

about EEC fisheries policy and refusing to get embrolled in a row between Scottish and Cornish fishermen. He was keeping well out of

the hattle and applying himself to safe topics such as pont boxes and size of the nets used by evil foreign trawlermen who raid British waters.

One thing, however, was certain. If Mrs. Thatcher is to hand in the growing shoals of Tory rebels, she will have to use nets of a very fine mesh indeed. They are slippery fish these wets.



Hannam: "Single figure": inflation in prospect"

Price Index over the past three months indicated that a return to single figure inflation was in

In these circumstances, he

SABE

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T.: --- . . .

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said, a single figure wage settlement did not necessarily mean a reduction in living atandards. Mrs. Thatcher replied that everyone was anxious that BL should succeed and that the

Mini Metro should achieva conaiderable aales. "It is very ironic that thora should be a threat to strike just when BL has restored its shara of the market-it is almost op that the movement in the Retail to 23 per cent."

High technology

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

of Croft, an Industry Department overall charge of a "national should take to stimulate tech-It announced that Mr. Adam

telecommunications. The department hopes that

all the Government's activities. This would be in line with the recommendations of a recent report published by the Cabinet Office's Advisory Council for Applied Research and Development, that a single Government Department and Minister should be in charge. A committee of senior civil servants drawn from 14 Government departments has been set up to study the report under

special division under Mr. Croft to handle its own responsibilities. Earlier this week it announced in British Business. its departmental magazine, that the division's work included "general responsibility for developing a coberent national strategy for information tech-nology." It is the responsibility fer execution of this strates. that Mr. Croft's committee is now considering.

THE MANAGEMENT PAGE

Boom times for Chrysler south of the border

The U.S. group's only major operation outside North America is the jewel in its crown.

William Chislett reports

MEXICO CITY is notorious for someo f the worst traffic jams in the world. In the rush hours, the streets are a seething mass of honking metal, most of it

Me

Wilh the Mexican economy continuing to grow at a dizzy oil-driven seven or 8 per cent a year—in real terms—the problem may only get worse. But to the country in the country in the country in the generable represents the eojnyable phenomenon of the fastest growth in the world of any significant automobile market.

In stark contrast to its debt-ridden fortunes to the north, in the United States, Chrysler Corporation is leading the way. In the first six months of this year its Mexican subaidiary overtook Volkswagen as number one in the combined car and truck market, with a 23 per cent share. While the Corporation may lose \$1bn in 1980, for the second year running, Chrysler de Mexico turned in a profit of almost 573m pesos (\$25m) in 1979. It projects a healthy increase this year since sales have aurged by over a third to 10 per cent of Corysler Corpora-

"We are not trying to do any-thing spectacular," says Jack Parkinson, managing director of the Mexican subsidiary. "Just keaping up with the economy is spectacular enough"—a statement with which Chrysler executives in recession-hit America would beartily concur, though

from a very different standpoint.

The situation on the U.S. sida of the border is, of course, a black cloud to Cbrysler de

the parent company. But Parkinson, a But Parkinson, a slim second largest private company Canadian, takes it as an article of faith that the Corporation will not fold. Even if it does, Chrysler de Mexico started he says, it is by no means a

Cbrysler de Mexico's 1979 report admits that the subsidiary dapends to a large extent on the Corporation's technology and parts for the manufacture of vehicles in

parent company is being re-duced in accordance with the Mexican Government's policy of forcing car companies gradually to cut down on imports. This ionns part of a more general policy of reducing the country's yawning payments gap.
By 1982 every car manufacturer in Mexico must match its

imports dollar for dollar with exports. Manufacturers who cannt meet the recommended local content levels must compensate the shortfall under a formula which amounts to exporting more than the equi-valent value of their imports. So it is not surprising that Chrysler and other car manu-facturers are looking hard for. Until a 1977 decree which specified degrees of local con-

tent for the car industry. Chrysler de Mexico was importing about \$3 worth of components for every dollar it exported.

subsidiary is now about 57 per cent "locally integrated" and "practically" matching dollar for dollar imports with experts. Chrysler de Mexico has not always been so successful. It has been a hard climb to the top. A mixture of good plan-Mexico since the subsidiary's niog, expert market research ultimate fortunes are tied to and good luck have brought it to its commanding position: the

life in 138 as Fabricaa Automex, foregone conclusion that the a Mexican controlled Chrysler ticularly in the car industry Mexican subsidiary would also affiliate. In 1959, Chrysler because of its high level of lm-



Jack Parkinson and his body shop: a Chrysler car is a status symbol in Mexico

bought one-third of the equity stake and in 1971, when the company was making beavy losses and facing the prospect of bankruptcy, Chrysler purchased

the majority interest. By 1973, Chrysler de Mexico, as it was then known, was in the black and advancing. Its share of the car and lorry market was nearly 19 per cent in 1974 compared with Ford's near-17 per cent and General Motors' 12 per cent plua, Chrysler's share rose to almost 22 per cent in 1979 and it is expecting to advance still further this

The devaluation of the peso by almost balf in 1976 caused an economic slump, par-

ports. It caught Chrysler da Mexico in tha middle of introducing a new range of compact

Chrysler's market research bad found that Mexicans liked the front of its Valiant model and the back of its Dart. So its compact cars were designed specially for the Mexican combining the preferred features of various models in the U.S. The Dart and Valiant names were kept because they were well known

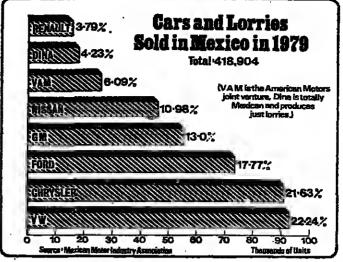
Despite the slump and the rapidly sbrinking state of the rapidly sbrinking state of the market. Chrysler took the fura. Camara crews filmed La accommodate the father by fural camara crews filmed La accommodate the father by extending the dealerships.

As a result a "Chrysler family" has grown up in A yaar later, the company

Le Baron is considerably Mexico. Only 17 of the 7,300 market, Cbrysler- took the plunge and went ahead, naw range was a hit.

hegan researching the market for the introduction of a luxury car with plenty of gadgets—no longer considered a status symbol in the U.S. Le Baron is now Chrysler de Mexico's main luxury car, whereas in the U.S. it is Chrysler's smaller luxury car. The Mexican version la essentially the same as that in the U.S., but with a few Mexican trimmings such as Mexican leather seats.

Chrysler de Mexico aet about developing the image of Le Baron with a slick advertising campaign based on the rich Mexicana' love of French cul-



quirks in the Mexican taxation

Le Baron became a bestseller overnight

The Maxican automobile market is young and ownership of a Chrysler car (and indeed of a Ford or a General Motors car) is still vary much a atatus

In the meantime, tha company huilt up an extensive network of dealers, clevarly exploiting the all-pervasivaness of family relations in Mexico. Chrysler encourages a dealer to bring up bis son in the business and eventually turn it over to him. If a dealer has aeveral sons, as is often the case in Mexico which has a very high birth rate, Cbrysler tries to

cheaper than its comparable employees are from the U.S. rivals the Ford L.T.D. and and all the 8,900 Chrysler de Chevrolat Caprice, because of Mexico distributors are Mexican. and all the 8,900 Chrysler de Mexico distributors are Mexican. This bas probably helped it achieve a atrike-free history, as

has the fact that union officials at Chrysler de Mexico stand for six and not two years, unlike for example, strike-bound General Motors. Worker-manage-ment relations are less prone to upaets caused by changes in

union leadership. Having established a comcanding position, the policy now as Parkinson says, is "10 think in terms of forecasting what the Government is fore-

casting and plan accordingly." What with the expanding economy, the Government's foreign exchange regulations, and its rules for increasing local content, the company's projected annual average capital expenditure bas soared to at least \$100m compared with \$10m in the early 1970s.

But it envisages few cash flow some stroproblems as it moves into higher recover.

and so forth.) Even by the

gear and does not need to lear on the parent company, not that this would produce anything anyway; nor does the Chrysler

Corporation take money from the Mexican operation. Over the years it has built np a high degree of relained earn-ings, and so can meet a fair portion of its investment plans

from its own internal resources. It borrows from Mexican banks, as well as foreign ones. About 38 per cent of the \$310m-plua of capital expenditure planned for the period 1979-1983 will be speot on 2

plant for four-cylinder engines being built near the U.S. border. The first stage of the plant,

which will produce 270,000 engines a year and employ 1,600 people, is nearly finished. When comes on stream fully in the middle of 1981, 220,000 of the engines will be exported to the U.S. for use in the corporation's new K car. The remainder will go to the subsidiary's plant at Toluca, which expects to be producing the K car in Mexico at the end of 1981.

A second slage is planned to cost \$50m, raising capacity to 400,000 engines a year by the middle of 1983. The existing Toluca plant will also be modernised to boost production capacity at a cost of \$50m. The production of the lorry plant in Mexico City will also be more than doubled at a cost of \$20m.

Such expansion is putting considerable pressure on the company to sie up its training programme. By the end of the year, the workforce will have put in about 245,000 bours of training compared with 195,000 in 1979. All of this must be warming the hearts of the Corporation in Detroit and adding some strength to its resolve to

YOU ARE a senior executive profit within 12 short months. and you work for a small aubsidiary of a famous multi-national. Your parent is highly profitable, but your own company is struggling to avoid of Remington under the new sliding back into the red, as it Kiam regime. has so often done before. Along comes a maverick entre-preneur. He buys your com-pany, cuts jobs all around, and then offers you the choice of a certain rise of 7 per cent a year salary, or no increase at all in salary, or no increase at all in exchange for the doubtful incentive of an unbelievably generous bonus if you can help return the company to respectable its long-standing but dis-

DAILY (EX. SAT. SUN.)

DAILY (EX. SAT. DAILY (EX. SAT.)

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Corporation (This Page, November 13, 1979.)

Despite Kiam's confidence, and the way he had persuaded outsiders to back him to the tune of \$25m, we were sceptical about his chances of success against better-established hrands such as Philips and Braun (pert of the mighty Gillette empire).

together with Philips and Braun—cotirely to recant, hat it is beginning to look as if we may have to. Not only has the Connecticut - based company paid off is hank debt well ahead of time, but pre-tax profits in its first year under Kiam ware several times his projected \$1m. As a result, Remington's credit rating has been dramatically upgraded. Instead of

The closer the shave, the wider the margin

BY CHRISTOPHER LORENZ

Sperry paying 3.5 per cent above the Novem-U.S. prime, it can now borrow at only 1.25 per cent above. At the same time, Kiam

claims to have increased Remington's market share in both its major markets, the U.S. and Britain (he sees the hy far the most competitive shaver market in the world"). The only self-imposed yardstick Klam has failed to achieve (or surpass)

other products. Much of Remington's revival would appear to result from Kiam's aggressive exploitation of a shaver which had been under-marketed by Sperry. He has also been helped by tha dollar's fall and the rise of sterling since the shavers are made in the U.S., he has been able to bold prices steady in the UK. Even before its immipre-Christmas push,

Remington's UK sales seem to be sustaining the 20 per cent increase that they notched up earlier in the year before the recession really struck. This antumn, like last year the irrepressible Kiam will himself be seen in peak viewing time on British commercial television, advertising the top of his shaver line with the slogan "Shaves as close as a

blade, or now I'll give you your money back." Human dynamo Kiam may he, but the success is not his alone. He owes much to the

whom he took over from

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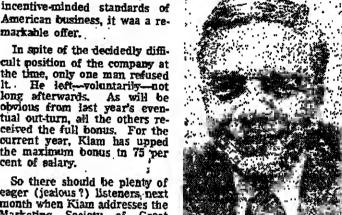
trol in March 1979. Their tons. instant transformation from organisation men into entrepreneurs was confirmed by 50 per cent of their salaries, their reaction at the time to kiam's bonus offer. Instead of sharing in last year's companyhalf of it, they would win half of it, they would win half of it. sharing in last year's company—half of it, they would win half
wide wage increase of seven of the 50 per cent bonus. Any
per cent, he offered his top thing in between would secure
dozen managers—half in the
U.S., half overseas—the option
of a honus if they came close in
achievement, 75 per cent bonus. Thomas with an anaresses the
Marketing Society of Great
Britain on "the role of the
entrepreneur in the changing
world," and, in true American
of a honus if they came close in
achievement, 75 per cent bonus
radio and TV.

Sperry when he assumed con- achieving their profit projec-

American business, it was a remarkable offer. In spite of the decidedly diffi-

cult position of the company at the time, only one man refused it. He left—voluntarily—not long afterwards. As will be obvious from last year's eventual out-turn, all the others received the full bonus. For the current year, Klam has upped the maximum bonus in 75 per cent of salary.

So there should be plenty of eager (jealous?) listeners, next month when Kiam addresses the



Victor Kiam: "Britain is by far the

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et vehicle weights. ne company claims that by weighed individually and the total for as many as nine axles two weighpads, the high of heavy components and dvil works have been avolded. The weighpads, each measuring 1,200 by 750 mm are installed in shallow pits about 150 mm deep and constructed with centres about 1,800 mm apart. This arrangement caters for the majority of vehicles having wheel spacings with outside dimensions ranging from 800 to

The equipment has two main Avon, Wilts.

AGRICULTURAL

Advice on micronutrients AS ANY good gardener knows, trace elements are being pubthe bealth of plants is as delished. The first issue of Boron pendent on minute traces of in Agriculture, for example. specific metals as it is on suncarries abstracts of work on the light, nitrogen, potassium aod control of chlorosis in broad

phosphoroos. The metals in question are horon, copper, manganese, molybdenum and zinc-witbout minute traces of these major micronutrients, plants grow either in a sickly fashion or not

Now an advisory centre has been established to help to provide the technical information nn micronutrients required by all sections of the agricultural

The Micronutrieni Bureau has heen set up in Tring, Hertfordshire under the direction of Dr. Victor Sborrocks, formerly of the Malayan Rubber Research Institute and an authority on

The bureau will operate world-wide; ooe of its basic objectives is to link all those concerned with the use of micronutrients and who wish lo see them responsibly and effectively

boron in agriculture.

· Registers of micronutrient products will be built up, the organisation says, together with their suppliers and scientists sightly residue or damage surcarrying out research work.

Quarterly bulletins of abfaces to which it has been

stracts for each of the important applied

OVER 100 companies currently offer computer-based typing systems (word processors) and IBM has 30 per cent of the UK installed base.

So what chance of success has Nexos, the National Enterprise Board office equipment subsidiary which launched its prinword processing product on Wednesday, in such a crowded marketplace?

Mr. Muir Moffat, Nexos managing director exudes confivehicle is stationary while in dence: "We expect to sell more than 2,000 units world-wide next year. We have already some 30 orders in this country and our bonr and each axle weight is dealers abroad have asked for 550 aystems."
At £7,500 each, that would

represent a turnover of £15m from word processing alone for

There is certainly that potential in the market. Word processing and other electronic aids in the office have taken off more slowly than manufacturers would have liked, but even so. Mr. Anthony Atkinson, head of (PO Box 4. Rode, Bath BA3 Arthur Andersen, reckons the 6YA) says that arrangements for UK distribution of the current rate of growth is at least UK.

20-25 per cent a year. There are he believes some 20,000 word processors installed in the UK at present, hut only 7,000 of those are true compoter-based systems using a visual display rather like a

Yet he estimates that manufacturers shipped between 4000 and 4500 of this type of system last year alone. Estimates of the number of manual typewriters system will comprise a key-in the UK which could be hoard, screen, storage system replaced by word processors vary between 1m and 2m-a total market value at, say, £8,000 a system of between £8bn and

But the leeders in the field are some of the biggest and most powerful companies in electronics. They include IBM,

COMMUNICATIONS

Nexos expects £15m from the typing pool

No hot air about the Nexos 2200; the processor is tucked away under the deak top

Wang, AES-Wordplex, Vydec, pany, Nexos Leasing, to arrange considerable improvements in finance for those who wish to the environment for the target least the machine for £38 a customer — the executive Philips, ICL and Datalogic. the feeling among customers and suppliers alike is that the next few years will see the weeding out of the smaller, weaker companies.

The trend is to stand-alone systems, word processors which have their own inbuilt computer for text and data and a printer. The Nexos offering, the 2200,

fits fits this description. The machine itself was developed by Logica VTS, a word processing specialist. The printer is made by the Japanese company, Ricoh, under licence.

Nexos has set up a new com- but it believes they add up to

week rather than buy it out- secretary What makes the 2200 special. according to Nexos, is the attention paid to ergonomics, the

science of the fitness of tools for buman use. "Ergonomics in the design of office equipment power. Characteristically, the is like teenage sex used to be. according to Mr. Christopher Ellis, director of strategy for of talk about it, but precious little action.'

> The ergonomic refinements Nexos bas built into the 2200 are not spectacular-Mr. Moffat says the customer is not looking for revolution but evolution -

play unit."

Mr. Moffat points out that the system uses a fast 16-bit microprocessor, the Intel 8086, which means the screen can be refreshed rapidly to eliminate the flickering found in systems using less powerful processors.

The screen itself is large (15 inch) with well defined characters—these appear as bronze on black or black on bronze following research indicating that this combination is least tiring to the eyes. The Swedish company Datasaah uses similar colours on its "Alphaskop" dis-

The screen face plate is

bonded to reduce glare and to give a mellow background

colour The keyboard and the screen are separate units, joined only by umbilical wiring and both can be adjusted to the requirements of the individual operator. What Nexos is proud of is the fact that the system produces little heat so the operator is not constantly bathed in warm dry air. "Some word processors bave fans which blow warm air into the operator's face" Mr. Moffat says. "It is like driving at night with the heater on; it is a major cause of eye. strain."

There are some slick refine telex ments in the facilities available to the operator; complex functions can be called up at the touch of a button, the machine can guide the operator through simple conversational language and there is a buill-in calculator. It is especially adept at dealing with rows and columns of figures.

But no matter how good the machine is, users want service and maintenance. Nexos. through its acquisition of UDS earlier this year, already has a rellable maintenance force.

At worst it reckons to be able to deal with 80 per cent of service calls within four hours —and it will have to give the quality of the opposition. But Nexos argues

the 2200 is only the start of a stream of products which will integrate into a total office system—the 2200 has communications hardware already built in ao it can be easily linked to other office machines -teletypes, data processors and so on. Mr. Moffat says: "Our big customers know that word processing is not an end in itself and they want to deal with a company that is leading them somewhere."

HANDLING

Safe storage of liquids

material which is recommended further reducing the risk of for carrying wine and liquid foodstuffs is also suited to handling and storage of chemicals and allied products, adhesives, paint, printing ink, cosmetics and perfumery, says Van Leer (UK), Van Leer, West (Byfleet Surrey Byfleet.

Specially designed with a low centre of gravity for exceptional. safety and stability, this rotationally moulded intermediate bulk container (IBC) is a 250 gallon polythene product whose

A CONTAINER made of separate metal closing ring. corresion.

Its low centre of gravity has been achieved by removal of the sump to enable the bottle to sit from nine to 12 ins closer to the stillage, and to replace the function of the sump, the com-pany has developed a new internal channelling feature for the base and valve outlet so that total gravity evacuation is

possible Van Leer also says this is the first plastic IBC which can also - if the contents require it be decanted under pressure. It assembling the system.

LORE DANIELS

lid has a toggle closing which has been designed to withstand eliminates the need for a an internal pressure of 3 psl.



IN THE OFFICE Reduces the

PROMISING TO make life in the office more hearable is a telex sileocer cover which is said to reduce noise levels in the telex room, etc., by up to 85 per cent - or 14dB(A).

This has been laboratory tested and Post Office permitted. tested and Fost of the period of the says Noise and Security Appliances, Byron House, Wallingford Road, Uxbridge, Middx. (Uxbridge 59575).

It has a hinged lid and stay which enable the operator to change the roll quickly and easily, a clear binged keyboard cover, and provision for what the company describes as a unique copyholder which clips to the side of the cover and holds messages. First hundred buyers of the telex cover will: get one of these lectern brackets free of charge.

Clocks and calculators fit pockets

TWO NEW quartz clock/ calculators as slim as credit cards or pocket diaries have just been faunched by Systema Watch Co., 371 Station Road, Harrow, Middx. (01-427, 2352).

A credit card size clock calculatur with alarm is called the LC 1501 and will retail at about £14 (inc. VAT).

More sophisticated is the LC 1503 with a large display, two alarms (with different sounds). a countdown alarm (also dif-ferent sound), 200 year calendar and stopwatch. This is pocket-diary size and is supplied in a wallet with window for continuous time display. It costs about £18 with VAT.

Both models have the latest . liquid crystal displays.

water and beer bottles.

There is now a self-adhesive cated interest in manufacturing material which can be printed The trunk line doubler is hased on the TASI (Time Assignment Speecb Interpolation) system which doubles the on and, when submerged in water at a temperature of 20 degrees C, will completely disintegrate in less than a minute. So claims Stampiton Labels, Stockport (06633 3535) which capacity of existing lines by ulillsing the pauses in speech in says that once removed the material does not leave un-

each direction on existing lines. Advantages of the Israeli system over those being developed in the U.S. and

More words between pauses TELEPHONE line doubler size and its mobility. It can be number of foreign countries. new central exchanges are being given a trial run between the UK and Israel. Several British

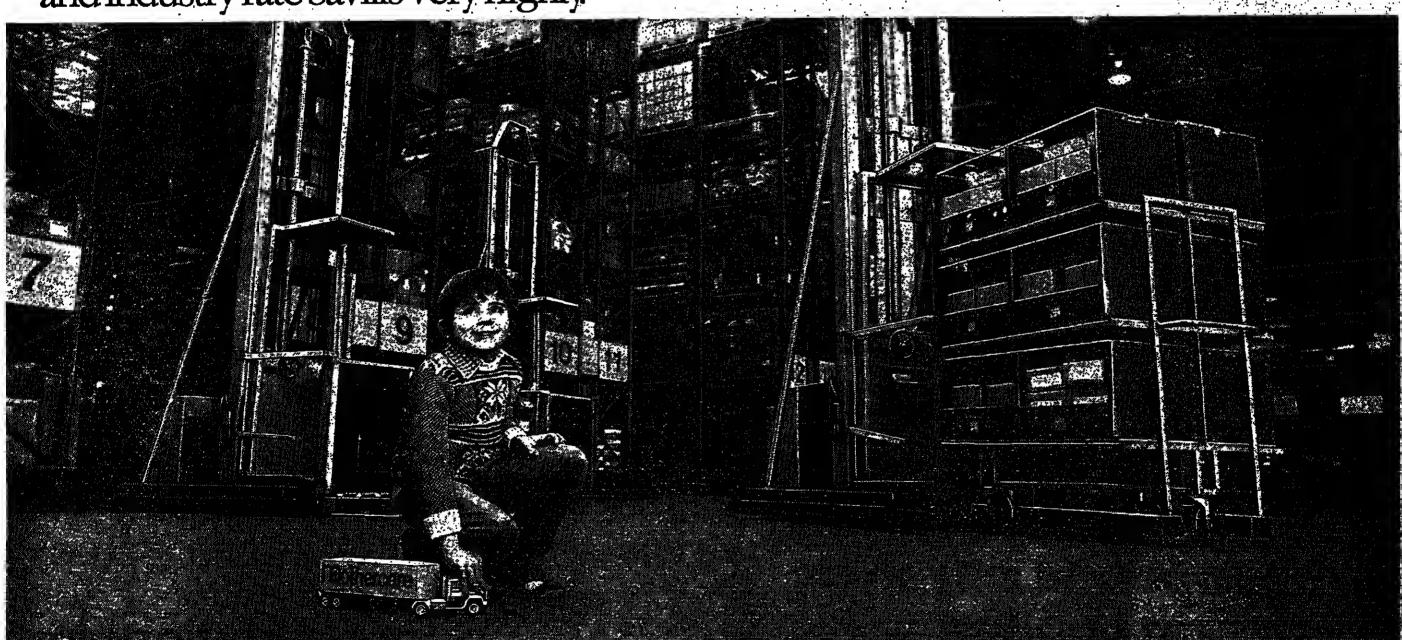
companies have already indi-It does not require control channels between the two ends and its cheapness makes it applicable not only for transoceanic or trans-continental trunk lines but also for domestic use on short distances. It com-plies with all relevant international standards, adapts to all signalling methods, has analog and digital compatibilities and good voice quality.

The system has already been tried out successfully in a France are sald to be its small

(TLD) developed by the Electronics Corporation of Israel, 88 Giborei Israel Street, Tel Aviv (Telex 033-578) is shortly to be the case for special events when contract for its manufacture. (a General Dynamics sub-sidiary) under which that corporation will make and sell the system in the U.S. and Canada, Portugal, Spain and Ireland have already placed orders. Ten systems are in use with the Israel PTT.

The company intends to make direct deliveries mainly to countries without local manufacturing capability but it is open to suggestions for licensing agreements with countries capable of producing and

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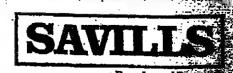
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FINANCIAL TIMES SURVEY

Friday October 31, 1980

Banking in France

Like most Western nations, France is pursuing a tight fiscal and monetary policy to combat inflation and its ills. Within these limitations, however, attempts are being made by the Government to reduce the highly centralised direction of the economy and introduce more liberal market policies.

Slow process of change

By Robert Mauthner

ONE OF the most striking aspects of the French Government's management of the economy over the past four years bas been the stubborn manner in which M. Raymond Barre, the Prime Minister, has pursued tight monetary and credit policies. The fight against inflation, the balancing of the country's external accounts and the stability of the franc on the foreign exchange markets bave remained M. Barre's principal objectives ever since his appointment in the summer of 1976. But, if the last target has been attained the franc is currently at the top of the European Monetary System-inflation has not been brought under control and the second oil price sbock quickly

ment in the trade balance two

Undeterred by the growing criticism of bis policies, incurred by a failure to achieve frequently repeated objectives, or by the marked slowdown in economic activity this year, M. Barre bas stuck to his guns. His argument is that, with infla-tion running at more than 13 per cent over the past 12 months and a cumulative trade deficit of FFr 46bn (about £4.6bn) since the beginning of 1980, there is no alternative at present to stringent monetary and credit policies.

The way these policies are applied is by the public announcement each year of a monetary growth target—in the case of France, the broad definition of the money supply. M2, is used—and the direct con-trol of the growth of bank credit by the setting of growth

The practice, since the first announcement of a quantified target for the growth of money supply for 1977, has been to fix the maximum rate of increase at slightly below the expected rise in nominal gross domestic product. But the target bas not always been respected; notably in 1979, when year-on-year money supply growth was 13.4 per cent, compared with an official objective of only 11 per

very flexible. Right from the start, there were important categories of credit, such as medium-term export credits, some types of bousing loans, credits to small businesses and loans to install energy-saving equipment, which escaped the net. Until the autumn of 1977, they were completely free from any restrictions and were thus responsible for a growing pro-portion of the growth in the country's money stock, accounting for as much as 34 per cent of total bank credits at the end

Stimulation

Since then, the authorities bave taken steps to plug this gap in the system. The proportion of unrationed credit growth transferred to the amount of controlled credit, which was set at 20 per cent in 1978 and 30 per cent in November 1979, was raised to 40 per cent in January 1980 and subsequently to 50 per cent at the end of February this year. The figure has recently been reduced to 40 per cent again, but only to belp exports and housing, both sectors which were in need of stimulation in the present slack economic

ceilings, known as encodrement growth norms system was too in France, appears to be very small to make any difference rigid, its application tends to be last year, when non-controlled credit was mainly responsible for the rapid growth of overall bank credit. Indeed, the gap between the rates of growth of controlled credit and unrationed credit became even wider in 1979. Over the 12 months of the year, the increase at an annual rate was estimated by the OECD to be 9.3 per cent for controlled credit, but as much as 27.3 per cent for unrestricted

> The view of both the French authorities and international experts is that the subsequent stiffening of the encadrement should produce a better performance in the current year, during which the money supply target has remained at 11 per cent. Though this target has been lowered again to 10 per cent for 1981, that is not quite as restrictive as it sounds, because of the expected slowdown in economic growth to below 2 per cent from at least 2.5 per cent in 1980, wblcb should redoce the demand for

If this year's growth in money ning of this year, will have supply is likely to be close on brought in some FFr 31bn—target, it is also largely thanks almost sufficient to cover the to the development of the entire budget deficit for 1980. French domestic bond market, which has been particularly striking this year. During the first nine months of 1980, bond totalled FFr 87bn,

and thay are expected to reach inflation. Starting with 12 per FFr 110bn for the year as a cent for the first state bond FFr 68bn in 1979.

These figures are an eloquent demonstration of the switch that has taken place from sbort-term to long-term savings, described as a "veritable revolution in French babits" by one respected French commentator. explains the fall in the deposits of savings banks since the autumn of 1979. For the first time in 10 years, withdrawals from savings banks bave almost equalled deposits over the past 2 or 3 months and, in some cases, bave been even exceeded them.

Instrumental

nationalised utilities bave been largely instrumental in bringing about this development which, according to M. Rene Monory, the Economics Minister, will allow the Treasury practically to refrain from creating any money this year. Three state loans floated by the Covernment since the basis Government since the begin-

In order to achieve this transfer of savings, bowever, the Government and state utillties have been obliged to offer second oil price sbock quickly The fact is that, while the However, the reintegration of roughly twich as much as durble bistorically high interest rates, reversed an impressive improve- system of bank credit growth unrationed credit into the ing the same period last year. Well above the current rate of

risen by leaps and bounds to 13.25 per cent for the second loan and 13.80 per cent for the third. In the case of the nationalised organisations, the rates have been even bigber, Increasing from 14 per cent at the beginning of the year to nearly 15 per cent currently. In other words, lending to the Government has become twice as profitable as opening a

والمثانة

The one big drawback of such servicing this debt which will bave to be borne by the Government and nationalised enterprises, particularly if the rate of inflation comes down from its present high level in coming years. The only alternative would be floating rate bond issues, but these bave not, so far, found real favour with the French Treasury.

savings bank account.

Meanwhile, the system of direct controls of bank credits as the chief instrument for keeping the money supply in check continues to be strongly criticlsed by the banks. Not only does t restrict competition by freezing market sbares—and thus penalises the more dynamic institutions—but it favours the large banks and companies at the expense of the smaller ones,

The reply of the Govern- An it ment, which has made it clear interest that it favours a dismantle- replace

long run, is that it would be dangerous to abandon the main tool for controlling the money supply as long as inflation is running at its present level. But there are some fuodamental arguments against such a move the structure of the French monetary and banking system than anything else.

As a special OECD study on monetary targets and inflation control, published last year, bas pointed out, the traditional structure of the French finanpolicy is the big cost of cial system and the money market are such that the central bank cannot easily ration its own credit to the banks, and hence the quantity of reserve money in circulation. Commercial banks are largely dependent on the central bank to meet their reserve money requirements. To prevent sbarp pressure on money market rates, the central bank ormally provides the banks with the means to cover their liquidity needs.

Upshot

monetary authorities are not in a position effectively to control monetary expansion directly by controlling bank liquidity, nor indirectly through interest

An important reason why

CONTENT

State sector Borrowing Co-operative banks The Bourse IV Inter-company credit ...

credit corset as the main instrument for controlling the money amount of credits are granted at preferential rates, well below market levels. Some 65 categories of soft loans granted special state financing institutions such as the Credit Agricole, the Credit Hoteller and the Caisse des Depots bave been identified. Indeed, according to Bank of France figures, loans at preferential rates represented as much as 44 per cent of total banking credits to the economy in 1979.

It will therefore require some very fundamental reforms of the banking system before encadrement can be dropped altogether. While a start has been made by the Government partially on the basis of proimportant reason why Mayoux Report, only the surface rale policy cannot of the problem has so far been the present French scratched.





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Total assets of BNP Group as at 31st December 1979 US\$99,000 million

Government has master say

Industrial **Finance**

TERRY DODSWORTH

A RECENT study published by the Bank of France came to the conclusion that almost 44 per conclusion that almost 42 per cent of the credits given to French industry in 1979 carried an interest charge lower than the prevailing market rate. In one way or 2nother, through direct subsidies or tax privi-liges, virtually all of these

concessions were financed by the State. According to some commentators the report probcommentators the report prob-ably understates Government aid of this kind, but what it shows undisputably is that three centuries after Louis XIV devised the corporate State, the Economics Ministry still exer-cises enormous control over the direction of French investment

The idea that the State has the right to create a hierarchy of industrial priorities is fundamental to the French system. Although the present Government has brought in some general reforms designed to inject more market forces into the industrist structure, there is no sign that the apparatus of banks and quasi-banks that influence industry will be

Requirements By the time General de Gaulle

(land).

the reconstruction drive, with

special emphasis placed on hous-

ing and local authority infra-structure investment and some

aspects of industrial and com-

mercial development es well.

Thus by the 1950s the main

financing institutions were well

entrenched in these various sec-

tors, including the Caisse des Depots and the Caissa des Prets

aux HLM (local euthority and bousing loans), the Credit

National (larger companies),

tha Credit Hotelier (originally

panies), and the Credit Foncier

hotels and later smaller com-

returned to power in the late 1950s, however, there was a clear need to direct more investment funds into the expansion of manufacturing industry proper. These requirements led. to the creation of the Fonds de Developpement Economique et Social (FDES), which is allocated funds in the annual Government budget to distri-bute to industry. These aids were designed in general to be channelled through the lending institutions, either in the form of direct grants or privileged interest rates.

system, designed to give farmers access to cheap finance, was greatly expanded as part of the Government strategy of encouraging the population shift from the land to the industrial conurbations. The farming community was slimmed down dramatically. while ontput was improved through investment in modern

ing industry. In the period after thinking also evolved towards World War II the lending system the idea of belping industry by was greatly expanded to help direct investment rather than loans. This led to the creation of a number of specialised institutions, led by the Institut de Developpement Industriel (IDI), designed to funnel finance into expanding com-panies either through subordinated and convertible loans or direct equity stakes. Along-side IDI, in which the State is the most significant share-bolder, e large number of regional organisations also developed — the Societes de Developpement Regional Developpement Regional (SDRs)—to perform the same function, with direct aid from the State, at a local level.

This panoply of banking, quasi-banking and investment organisations has grown up in such an ad hoc way over the years, answering particular neads at particular times, that it now leads to considerabla confusion. Many industrialists are in favour of streamlining the system, complaining that raising money has become too complex a business, while leaving too much power in the hands of centralised organisations dependent on the patronage of the Paris bureaucracy.

There are strong indications that M. Rene Monory, the Economics Minister, sympathises with this view. One of the underlying ideas of his Bourse Alongside this industrial de- and banking reforms is to introvelopment process, the Crédit duce more market forces into Agricole mutualist banking the financial system, thus moving away from concessionary financing by means of an ed-ministered banking network. Indeed the regime of privileged interest rates raises an almost insurmountabla problem in controlling money supply growth through interest rate policy, thus forcing the Government to adopt its restrictive credit ceilings system which locks banks Since the deterioration of the into a process of giving loans economic climate in the late only in the same sectors as the 1970s, the FDES has taken on previous year.

a new importance, while being But, as M. Monory found re-joined by another "crisis" cently in reforming aid to fund, the Fonds Special small and medium-size comd'Adaptation Industrielle panies, there are considerable (FSAI). The FSAI was created specifically to deal with finan- it was only after a tough battle which manages the funds of the cing industrial change in the that he was able to push savings banks, are active in this hard-hit steelmaking and ship- through this reorganisation, field.

The new organisation— CEPME—illustrates the way in which different elements of the financial system interlock in France. CEPME will from now on be the main avenue for financing small companies (PMEs), although M. Monory bas made it clear that it has no monopoly in this field. It will be 51 per cent owned by the nationalised Caisse de Depots and the State, which makes subsidies for the FDES available to this sector through the new organisation. The other big shareholder is the Banques Populaires, tha widely-based mutual institutions which had an interest in Credit Hotelier, mainly to serve as another lending arm to underpin their standing with depositing clients.

Finance for CEPME comes. partly by issuing bonds on the market (75 per cent of Credit Hotelier's funds were raised in this way last year), and the rest from the FDES and special Government credits for specific projects. Many of the interest rate subsidies mean nothing more than the Government making up the difference between the lower interest rates that would be available to big companies borrowing on the bond market and the higher rates which smaller companies without this fecility are forced to pay.

Treatment

Small and medium-size companies, and the evan smaller "artisan" organisations, are special concerns of the Govern-ment at present, thus demanding special treatment of their own. But in global terms Government aid can be roughly split into four main areas.

ties. Although this lending is tage of these soft loans in the not of direct interest to individual companies, it is clearly influential in governing the state of the construction sector. Both the big banks and the

This labyrinth of privileged lending institutions took on its present form and influence after World War I, when the Paris Stock Exchange began to go into decline as a channel for financing industry. It the varied actions in the state of the scene is dominated by institutions in this field—Credit Agricole, now rated as Hotelier, Caisse Nationale des Credit Agricole, now rated as the largest bank in the world on ment Interprofessionnel des Stock Exchange began to go into decline as a channel for financing industry. In the varied of the scene is dominated by Credit Agricole, now rated as the largest bank in the world on ment Interprofessionnel des gives soft loans to farmers, funded by tax privileges and the enormous deposits which bave become evailable as farmers bank with the organisation in order to qualify for its credits. Although Credit Agricole is now being gradually forced to normalise its operations—farming reform is no longer the issue it was 20 years ago-its rates are still highly preferential. In 1979, according to the Bank of France study, its interest charges stood at 7 per cent a year equinst a normal average of 14.1 per cent on loans in the property and land

> Exports have also been singled out for special treat-ment in recent years, as France faced up to the problem of pay-ing for its rapidly rising oll bill. Rates for this finance, chan-nelled through the main banks were situated at around 8 per cent last year for trade with stable countries outside the

Finally, there is a whole range of investment assistance, mainly directed through the FDES, but also by way of a bewildering series of special credits established for par-ticular circumstances—loans for energy saving investment, for example, or for modernisation of the forest exploitation incustry for high technology industry and the Concorde programme. According to the Bank of France study, not all the rates in this sector are clear cut. but the average last year was about 9.5 per cent, while the Special Adaptation Fund, for example, can give loans at between 3 and 5 per cent for a maximum of 50 per cent of the investment.

Altogether, the Bank of France calculates that these difprivileged loans are given to FFr 808bn at preferential rates individuals and local authorities. Although this leading ally expanding, from a figure of 38.3 per cent to 43.8 per cent last year. This evolution under-Government-assisted sector in France, and gives a clue to why M. Monory is stubbornly aiming to redirect industrial financing to the markets.

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Big Three stirred into quiet revolution

State Sector BY A CORRESPONDENT

more liberal and less regulated economy by the French Government is starting to bave a major impact on the Big Three nationalised banks. Together they, dominate the country'a commercial banking scene and have always been a favourite target for would-be reformers. In the past, proposed reforms bave usually run into the sand after an initial and agitated debate bas calmed down. But a combination of technical measures decided by Economics Minister M. Rene Monory and the dedicated application of monetarist policies in the management of credit markets is

now producing a quiet revolu-

mercial banks in the world when measured by balance sheet strength and their weakness in ments. Their sheer size means they can be major players in international banking—a role the Government is keen to see developed—but at the same time it makes them sitting ducks to accusations they are overcentralised and uncaring about the financing needs of smallend medium-sized businesses in

These conflicting views bave led to a wisb both to stop them getting any bigger and to break them up into smaller units.

Io his typically pragmatic fashion M. Monory, significantly bimself a successful businessman in the provinces in his private life, bas found a way out of the dilemma which bas stumped legions of more academically orientated theoriticians. His starting point is simple. He wants to see financially sound banks competing with each other. His solution is effectively to slow down the rate of growth in the Big Three, speed up the growth of small regional banks and at the same time encourage the big banks to a 1-for-20 rights issue in April give mora authority to regional this year. The Government sold give mora authority to regional

Each year M. Monory sets a and 10 per ceot in 1981) and per cent.

eaves it to the Conseil National de Credit to translate the ceiling into credit growth norms for broad groups of banks.
Systematically, the regional banks bave received bigger allocations than the large banks, enebling them to go on lending when the Big Three are fully lent. Attempts to increase lending beyond permissible limits are beavly sanctioned by a system of penalty deposits which must be made interestfree with the Bank of France. In the early days of the credit allocation system the nationalised banks tended regularly to overshoot their allowances, and the penalties cut deeply into net profits. This aituation resulted in a

banking system's capital-to-loan ratios. By the end of 1978 it had fallen to around 2 per cent, compared with 5 per cent in comparable European countries. M. Monory therefore introduced tion.

Each of the Big Three—
Banque Nationale da Paris, improve thesa ratios. By the Credit Lyonnais and Societe end of June 1982 banks with a Generale—regularly features in 5 per cent ratio must stay et the lists of the top 10 com- that lavel, those with ratios between 3 and 5 per cent are expected to make up half the totals. This bas been both their difference between current levels and 5 per cent, and those with ratios below 3 per cent must add at least 1 percentage point to current levels by the target date. The careful graduation of the required improvement was specifically designed to help the nationalised banks. But at the same time M. Monory warned them that they should not look to the Government to build up their capital base, as has happened in the

Possibility

This left the managements of the nationalised banks with tha possibility of earning more profits in order to edd more retained reserves to their capital base, and of issuing shares to the public as the only feasible way of achieving the goals. A law deting back to January 1973 already permitted the Big Three to place up to 25 per cent of their share capital with private bolders. Until the Monory reform it bad been used basically to provide shares for staff, but in line with the new approach Societe Generale mada off its aubscription rights and tha privata sbareholding in ceiling for M-2 money snpply Societe Generale'a capital duly growth (11 per cent this year rose from 8.56 per cent to 12.92

delight at the public response to his new ideas, then proclaimed that this operation would be the first of many. But his optimism was quickly dousad when Credit Lyonnals looked at e similar approach. Its 1979 net profits were FFr 297m, up nearly 30 per cent on the previous year, but modest compared with Societa Generale's FFr 511m and the BNP group's FFr 584m. Feced with the prospect that an attempt to sell shares to the public against the background of this profit performance might be a less than bowling success, M. Monory reversed his earlier decision to end Govern-ment contributions to capital and in May this year lent Credit steady worsening of the French Lyonnais FFr 500m.

The Economics Ministry smoothed over the outraged howls from other banks, which are denied the possibility of incorporating bond issues in their capital base, by citing the exceptional character of the operation. After the dust settled the

message to top management of the Big Three became self-evident—that top priority must be given to improving profitability—otherwise the sbare issue ronte to e stronger capital base will be difficult. In an environment of high interest rates, which are squeezing operating margins, a soft economic situation and effectively rationed credit, the necessary profit improvements are calling for exceptional management skills. The comfortable oligopoly which existed for the best part of 30 years after the war has now ended. This is leading the nationalised banks into doing precisely what M. Monory wants-compete and use their resources better. Tha large-scale introduction

of data processing, the use of remote terminals throughout the extensive branch networks and similar modernisation efforts are helping big banks to bold staffing levels steady or even pare them back. This is enabling the Big Three to handle larger volumes of business at a lower unit cost. At the same time the drive for profits is forcing a close look at the branch network itself and elthough the overall numbers of branches remain fairly steady there is a move to close down the unprofitable and con-

centrate in bigger and larger volume units. The shift away from less-

M. Monory, with evident opening up better career prosbetter motiveted and more highly qualified staff moving through the system, top man-agement is looking to kill the bureaucratic approach to bank-ing that bas bedevilled it in

An important area where the Big Three are looking for better profits is in international banking. The present attrec-tiveness of the franc as e diversification asset for Arab OPEC petrodollar holders, coupled with their interest in placing dollars with non-U.S. banks, has ied to a Euro-currency influx of the order of \$10bn. to French banks since the start of the year. This inflow is providing the ammunition for all three to enhance their role in the markets and they are steadily gaining the reputation for being skilled and aggressive participants.

Wholesale

Added to their traditional and profitable business in trade financing, this development is leading to bealthy gains in the profits per employee generated. as well as pushing them deeper into the potentially more rewarding wholesale banking sector. On the domes tic side, BNP in particular has been pushing for large retail accounts. In 1979 it achieved its goal of passing the 3m account mark leading to 2 relative change in its own product mix partly at the expense of the other two nationalised banks. Views among bankers about the wisdom of this development from the profits point of view differ, but it is producing a diversity of approach and some real competition—just the elemen**ts**

 $n_{(\gamma,\alpha_{\rm H})}$

M. Monory is seeking. Despite the Credit Lyonnais incident earlier in the year, the banking community in France expects M. Monory to pursue his policy of forcing the Big Three into the market place for new capital. If the three banks each eventually arrives at a position of having 25 per cent of its shares held by the public, this will got as reinforcement of the trends now underway. All the indications are that the push for a profits orientated approach to hanking is there to stay. The temptation to hive off an even larger percentage of capital to private shareholders will then become skilled counter clerk jobs is almost irresistible to economic changing the personnel mix liberals like M. Monory slowly and at the same time that is a battle for the

French issues retain prime world rating

Borrowing FRANCIS GHILES

ALTHOUCH ITS account has moved into the red this year, France has not resorted on any greater scale than-last year to borrowing in the international capital markets. raised \$1.56bn of publicised new international bonds and \$1.78bn of syndicated credits from international banks. These figures compare with \$1.64bn and \$1.65bn respectively during the corresponding period last

The "missing" funda which some observers believe France has raised during the past nine months are probably accounted for by very private placements such State companies as Electricite de France have made with some of the wealthier oil producers like Saudi Arabia, Kuwait and Iraq, Funds may also bave been raised from Iran'a central hank, Bank Markazi, which chose Paris as one of the centres to redeploy its deposits earlier this year after the U.S. freeze of Iranian.

Some domestic franc issues hava also been larger than usual. and there are indications that part of this paper too was placed directly with Middle East investors. The net result of this fairly moderate level, of public horrowing is that French, names remain very much in favour with investors, notably institu-

One of the reasons for this impeccable image is that the headlines with syndicated personalities in charga of credits which boasted terms yet French borrowing do not change finer than seen in the market any more than does the institution where they work, often referred to in Paris as the "fortress of the Rue de Rivoli." The Tresor (Treasury) remains a bastion of power and is likely to do so for the foreseeable

Whether French borrowers are actively raising money in the international capital markets or not, they always expect to get the finest terms of offer. This insistence is the lyncholn of the Tresor's attitute towards borrowing in the International

try to bave its cake and eat There was a famous case when, after baving squeezed when, after baving squeezed very fine terms for a borrower it was bringing to the market vla one of the leading Paris banks, the Tresor official present at the pricing insisted that the lead manager also provida en assurance that the issue would not drop below a certain price in the secondary market. During the first nine months of Thia "Jacobinisme" is oot this year French borrowera always appreciated by French or foreign banks, but they usually go along with it.

The Tresor is undoubtedly the most powerful institution in France outside the President's It has been thus for many decades and one can trace its influence back to the days of King Louis XIV's powerful leading minister, Colbert.

All-pervasive

The Tresor not only controls the raising of funds but their allocation to other Ministries State organisations and local euthorities. It represents the State on the boards of the country's three large nationalised hanks-Banque Nationale de Paris, Credit Lyonnais and Societe Generale. Ita influence on State corporations endows it with an all-pervasive means of Influencing the country's economic and financial works. France is not only very administratively centralised; it is also country with a very large State sector indeed.

The banks meanwhile have continued this year to play an active role in the Euromarkets.

As in years past Credit Lyonnais bas regularly hit the for many years. Thesa loans were always for French borrowers, who appear to enjoy the reputation for bard bargaining they have acquired over years. Such was the case with a loan for Credit National läst December.

But the bnest terms the year were arranged by Banque de l'Indochine and Dillon Reed for a \$200m loan for Credit National last July which boasted a spread of a per cent over the Libor rate. Although higher than the 1 per cent element in a loan arranged

Of course there are the odd a little later for Gaz de France, the funda raised by the former were cheaper for the borrower than those raised by the latter. Among French banks BNP has taken first place in the league tabla of syndicated credit managers from Credit Lyonnais. Maybe as a result, bowever, it has slipped from second to third place as lead manager of new bond issues. The most notable feature bere is that Paribas bas sprung from the bottom of the league table to the top in one year. Nobody in the bond mar-ket is likely to forget that Paribas led two Eurobond dol-

SYNDICATED LOANS LEAD MANAGED* (Sbn)

	JanSept. 1980	Jan-Sept. 1979
BNP	8.18 (26)	1.72 (8)
Credit Lyonnais	7.65 (48)	3.68 (19)
Societe Generale	4.63 (18)	1.47 (9)
Paribas	4.13 (15)	0.50 (8)
CCF	2.22 (24)	0.51 (17)
num	n brackets ber of dea Caploan Int	is.)

Finance Data Inc.

in quick succession last June. These were tha first-ever dollar Eurobonds for this very prestigious borrower and the first time in three yaars it had publicly borrowed dollars. Paribas bas built up its marketmaking and trading department over the year to such an extent that it felt able to announce it to the world than with this resounding coup. Many invest-ment hankers were aggrieved. but then Paribas, baving dis-played typical Callic panache, sat hack quietly and enjoyed

lar Issues for the World Bank

EUROBONDS LEAD MANAGED*

<u> </u>	() II	a)	
pt. 9 (8)		Jan Oct. 1980	Jan Dec 197
19)	Paribas	800	80
10)	Societe Cenerale	600	530
(9)	BNP	250	430
(8)	CCF	225	443
17)	Credit Lyonnais	200	317

 Excluding private placements. Full amount of each Eurobond issue credited to lead manager or shared among joint

In search of wider roles

Co-operative Banks .

DAVID WHITE

BETWEEN THE nationalised and private sectors of a reach banking lies an important third group—the cu-operative banks. Although the biggest of them, Crédii Agricole, has now established itself among the very top names, not only in French but in world banking, the others are curiously little known out-

Although their basic strength still derives from the special functions they were created to perform, the co-operative banks bave become progressively less banks and, by the same toke,, more resented by other banks.

The main co-operative groups original roles. The network of funds. Banques Populaires, at first The geared solely to small busl-develop nesses, was allowed to extend its services to individuals in tha early 1960s. Crédit Agricole, founded to answar the needs of farmers, became the sole handler of subsidised farm credits and now has a virtually free range of action throughout

ri: "I France. Farmers and farm workers, while still providing around 30 per cent of the bank's deposits, now make up only 18 per cent of its customers. The "green haa come to be regarded by the banking establishment as the "green hydra"—a kind of parallel civil service gradually pushing out its tentacles into every sector.

Crédit Agricole's privileges were cut back considerably under a compromise agraement reached with the Covernment just under two years ago. Two-thirds of its untaxed "surpluaes" are henceforth considered as profits and taxed at the normal 50 per cent rate; aa a result the 1979 surplus came down by almost half in a measly FFr 1bn. The bank was told to hold back in the hnmc savings market, where it was taking an ever-growing share, and to play a more effective role in placing State sectur

The other side of the bargain was that Crédit Agricole would be freer to develop its activities in its own rural and agricultural specialities. As from next year it will be financing non-agricultural businesses in the country and agricultural businesses in the towns.

the towns.

The controversy, however, is still not settled. The Covernment is insisting on a new statute for the bank and has appninted three experts the spend the next six months drawing it up.

The Covernment and the bank have also indulged in a tug

of war over the fat surpluses accumulated in past years, the object of sharp criticism from the country's Accounts Court. It has so far heen agreed that the bank will keep a third of the FFr 900m accumulated in 1975 and 1976 and devote the rest to

recently regarded es a provincial outsider, also had its tough as Frenchmen increas-privileges severely circum-ingly turn to mutual funds and scribed last year. Dealing bonds. With 95 per ceof of mainly with loans to families French households already in and local authorities, the bank, the banking system competition which used to have little for deposits will get stronger.

Alsace, bad built np a nationwide network, taking with it a tax-free savings account system run on the same lines as those available in the post office and standard savings banks.

Its deposits in these accounts had been growing by 30 per cent a year as people, having reached the maximum level in tbeir post office accounts, started new ones: at Crédit Mutuel. The Government cracked down, prohibiting people from opening concurrent tax-exempt accounts in the future and subjecting Credit Mutue, to the same corporate tax conditions as Credit Agri-

cole — All this provoked a sharp pro test from Credit Mutuel's out-spoken Alsatian chairman M. Theo Braun. But if he was not satisfied, neither were competithat Credit Mutuel clients still enjoy a privileged tax rate on savings interest. Civen the -Credit Agricole, the Banques bank's importance as a source Populaires, Credit Mutuel and of finance for local government, Credit Coopératif-bave in one the authorities could not go too way or another outgrown their far in cutting off its access to

> The organisations have developed into complex structures. Credit Agricole is typical, with two central bodies, one nationwide federation represent ing member banks, the other a Caisse Notionalc. set up in the 1920s with a Covernment appointce at its head. Under this are over 90 regional hanks and 3.000 local co-operative hanks.

Fxclusively

The No. 2 group, the Banques Populaires, has three central hndies, a representative organisation, a Coisse centrale and an important finance institution for industry and tourism, Credit Hoteliar. Tha network is made up of 37 regional banks and two specialised country-wide banks, including one destined ex-clusively for teechers in the State school system.

Credit Mutuel, whose origina are Cerman rather than French. since Alsace and Lorraine were under German rule when it was started, similarly has a national federation and a Caisse centrale with a network of Intermediate regional bodies between them and over 3.000 local banks. Membership is 1.8m. compared with 3m-nlus at Credit Agricole. Despite their enlarged scope

the banks continue to play special roles. Credit Agricole, the one which has gone furthest afield—its activities range from international bonds to package tours—undoubtedly has the most crucial.

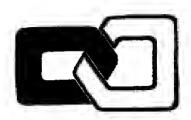
The hank says It was duped by the Government at the time of the 1978 agreement. Credit restrictions, it claims, stopped it from taking advantage of its side of the deal. The Government is unmoved. Credit Agricole's lending, it says, rose by 16 per cent last year as against 14 per cent for the whole of the French banking system, and the same trend is likely to show up this year, with the total of its loans possibly exceeding FFr 50bn.

Against this, the bank warns of the threat of a fresh credit curb-through lack of resources The volume of deposits collected last year rose only 14.7 per cent various assistance projects.

Credit Mutuel, another fastgrowing institution, until held on so far to its market

December 31, 1979

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Arab Investors Group, S.A.		Local Currancy	US Dollars
14, rue Aldringen		farmounts roomeed bity	
Luxembourg, Grand Duche du Luxembourg	Capital & Reserves		28,000,000
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bata	Capital	50,000,000	12,400,000
Banque d'Affaires Franco-Arabe, S.A.	Reserves	600,000	150,00
104, Avenue des Champs Elysées 75008 Paris - France	Total Deposits from Clients	183,900,000	45,700,000
Telephone : 562 58 80	Total Loans	188,000,000	46,800,00
Telax : 290074 - BAFA	Total Assets	342,000,000	85,000,00
			1100
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Banque de la Méditerranée - France, S. A.	Capital Reserves	50.000,000 275,000	12.400,000 88.500
3, rue Quentin Bauchart	Total Deposits	273,000	50,50
25008 Paris - France	from Clients	829,100,000	205,200,00
elephone : 723 76 12 elex : 611 320 - BAMEF	Total Loans Total Assets	600,000,000	149,300,00
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Senque de la Mediterranés, S.A.L.	Reserves	25.000,000 3,900,000	7,700,000 1,200,000
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elephone : 335 135 - 338 340 - 335 532 - 337 237 elex : 20828 LE	from Clients Total Loans	670,200,000 538,500,000	205,000,000 165,000,000
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Urged to expand operations

The Bourse

TERRY DODSWORTH

REFORM OF the Bourse is a central element in the present French Government's efforts to reorganise the financial and banking systems. What M. Monory, the Economics Minister, is aiming at in essence is to develop a more flexible and less centralised set of institutions for the financing of industry. This should, it is argued, reduce industry's reliance on the banks—which caused beavy indebtedness and considerable financial difficulties in the mid-1970s—while making companies more responsive to the need to make profits and demonstrate a nealthy performance to poten-

At the same time tha Bourse is being called on to play a significant role in the fight against inflation. To reduce money supply growth the Geveroment has clamped down on bank lending, enclosing it in the tight encadrement de credit straightjacket which regulates tha growth of lending by sectoevery month. Funds therefore have to be sought elsewhere-from profits (which explains the relaxation of price controls to give hetter margins) or the equity and bond markets.

Even for State finances an active Bourse has grown in importance. The Government has been trying to stabilise taxes while at the same time financing a considerable deficit within strict norms of monetary creation—money supply growth is aimed at a slightly lower rate than the expansion of the Gross National Product.

Thus the authorities have market to finance more and more raised ahout Government FFr 15bn (\$3.6bn) this way bute dividends of about and this year it will seek about FFr 10bn, an increase of 15 per FFr 31bn; during the same cent on last year.

period an increasing percentage of the nationalised industries' have been financed through loans.

So far this financial strategy has worked. No one expects banking reform to be achieved quickly — indeed M. Monory has adopted a cautious step-bystep approach. But the Economics Ministry bas made a spectacular impect with its policies to revitalise the Bourse, which had been left languishing in a long depression after the postoil-crisis collapse of seven years

was the introduction of the now celebrated SICAV units trusts. an instrument designed especially for the small family investor. The SICAVs give tax benefits rated on the size of the family, thus attracting the sort of non-professional but aerious long-term saver who has tended to avoid the Bourse in recent

Attracted

Despite the fact that the growth of real earnings bas been reduced to virtually zero in tha who have never before thought of the Bourse have invested in abandon their long-established the past two years, according customs and privileges for a to the latest figures. The statis-tics seem to indicate a flight to the SICAVs from both property and the savings banks, where interest rates, though mainly nntaxed, stand at only 7 per

animation of the Bourse has been provided by the increase in industrial profits over tha fore more interest among investors; better dividends also mean more money to invest parto go to the bond ticularly from shareholders who want to avoid capital gains of the deficit. Last year the taxes. It is reckoned that French companies will this year distri-

A second element in the re-

world standards it is still a to 2.30 for equities) to six smell organisation, with a mar- (10.00 am to 4.00 pm), and a ket contribution. ket capitalisation at the end of number of centres outside the last year of FFr 222bn, against Bourse itself linked no by telethe UK equivalent of FFr 646bn and New York's 3,910bn. To maintain present interest and thus keep new money coming in able to wander into their bank, it needs to attract more fresh see what was happening on the companies to the market. On share market and put through this score the Monory reforms orders. have not yet shown much suc-

cess. Last year seven new companies came to the market four more than in 1978, it is true, but not many compared with some other world stock markets. These questions lie behind the

recently published Perouse Report, which has set out a detailed plan for modernising the Bourse's etructure and providing the mechanism for a greatly expanded trading sys-tem. The report, commissioned by the Government more than a year ago, has been accepted by M. Monory as a platform for reform. He is aiming to introduce the changes steadily over the next three to four years, thrugh many of them will depast year, new investors are atill though many of them will de-being attracted by the SICAVs. pend not on legislation but tha Some 1.5m to 2m individuals agreement of the parties in agreement of the parties involved nn the Bourse to

more flexible system.

Underlying the Perouse pro posals is the idea that the Bourse needs to expand its pre-sent volume of trading if it is to play the central role in the economy which the Government would like to see. This means that it has to be brought closer to the public-" popularised and demystified as past two years. Higher profits M. Monory put it—and move mean better dividends and there—towards the more flexible trading systems used on foreign Anglo-Saxon) (particularly

stock exchanges. The Perouse Commission has aet ont two main programmes for achieving this change. First, it is advocating the wideranging use of modern informa- grasp as they have done in run-tion systems to open up dealing ning SICAVs, where they can particularly in the financing of

Bourse, however, has now the present three hour limits ever, will not be easy, given the reached a critical stage. By (11.30 to 12.30 for bonds; 12.30 celebrated French taste for world standards it is still a to 2.30 for equities) to six tangible and enonymous stares vision to dealings on the floor. Members of the public with an interest in the Bourse would be

Extendable

Such a system would in theory be extendable to the whole country and overseas as well, the technology is more or less available. The effect, Perouse argues, would be to provide the conditions for what the Commission calls a "continuous market"a method of trading analagous to that practised in New York London, where investors cen inform themselves of price movements throughout the day and huy or sell accordingly. This differs fundamentally from the present organisation in Paria, where prices are fixed generally only once a day according to an average of the orders passed.

The Perouse Commission has also strongly recommended the "dematerialisation" of share certificates. It believes that the paper — and paperwork — in-volved in current share transactions creates an enormous administrative blockage which could be removed by allowing banks to run computerised trading accounts for their clients rather like a normal bank account. No certificates would change bands, and the banks would be able to do away with e lot of paper bandling-tearing off coupons for paying dividends, for example—which is extremely costly at present.

lose between FFr 1ho and on the Bourse to more people, spread their administrative

The development of the Hours would be extended from costs. This development, howof value, such as gold or, in this case, bearer certificates.

Perouse adds that these two main reforms, leaning beavily on the application of electronics information treatment, should be accompanied by a reform of the Bourse tariffs. The organisations that gather in orders—banks and stockbrokers -shot'i, the Commission says, be given more incentive to deal in larger parcels of sbares. At the same time it suggests that

share deals should be abolished. There is already e large degree of agreement on the Bourse oo the usefulness of the Perouse proposals. No one doubts that the mechanics of tha changes be has suggested are feasible. But there will clearly be difficulties in altering the habits and methods of the Bourse operators.

the central Government taxes on

At the centre of these objections is the question of how tha continuous market can be organised without a system of real trading on the floor. Paris has nn jobbing nrganisation, no agents on the floor willing to balance buying and selling orders and thus make a price. Prices are "fixed" at a set point each day by stockbrokers calculating an average from the list of ordars received. But this would not provide a continuous real-time system for genuine trading throughout the day.

These and other problems have been landed squarely on the desks of the stockbrokers and bankers directly concerned with Bourse affairs, M. Mooory has told them that there is a limit to what legislation can do to help. But it is equally clear It is estimated that the banks that as long as he is Economics Minister there will be plenty FFr 2bn a year running their of pressure for reform coming share departments. There is from his office. If he anceseds therefore a considerable incen- in this programme France will tive to change—something the end up with a less polarised banks would almost certainly financial system, in which the

Leading consortia revise targets

Arab Banks

in Paris DAVID WHITE

ARAB BANKING in Paris stage of development. At a time when the West's bankers are waking up to the implications of an increasingly sophisticated Arab banking system, with an increasing degree of panetration in their own back gardens, managers of the joint Arab-Western consortium hanks are baving to think bard about what role is going to be left to them.

Paris, which as a financial centre has been well-placed for the organisation of bank syndicates dealing with the Middle East and Africa, has become a main base for this kind of institution over the past 10

Three consortium banks in particular have dominated the scene-Union des Banques Arabes et Françaises (UBAF), Banque Arabe et Internationale d'Investissemant (BAII) and Frab-Bank All launched with the combined backing of Western banks and Arab interests — the latter to a large extent governmental they all made their names in business of managing and underwriting interoational

UBAF, with the higgest capital base, an impressiva list of banking names behind it, a net-work of affiliates in other bankassets of over \$6bn—some \$13bn
for the international group together-it towers lumped above its rivals.

While UBAF still concentrates to a large extent en its international loan activity, strong competition, narrow margins and low commissions have led the other two hig consortium banks to cut back and look instead for new roles in specialised banking services. It was largely because of a

rapidly expanding line in financ-

ing exports of Middle East nil that belped BAII to double its profits last year to ever FFr 16m. Commodity trade financed by the bank—Oil, food and fartilisers—almost tripled to \$4.5bn. The arrival of new clients for commodity aervices and the bank's active role in developing an Arah currency market were cited aa prime factors behind a 31 per cent risa in the volume of deposits-most of the money coming from the Middle East. The bank, "deliberately limiting" its growth in long- and mediumterm Eurecredits, has instead branched out in the secondary market, in portfolio manage-ment and in investment

In tha last couple of years it bas fixed one of France's largest ever property deals on bebalf of Kuwaiti clients—tha sale of the Rhone-Poulenc chemical group's central Paris beadquarters—and cted as trustea in the purchase by Saudi interests of a 10 per cent stake in Italy's Montedison

Holdings

The bank, which opened in 1974, bas boldings in Britain's Hill Samuel—and a joint venture with it in Bahrain-and in Dean Witter Reynolds of the U.S. It has itself been looking

At Frab-Bank, which was the

first of the three to start in business back in 1969 and which ia rather different in that its Arab shareholders are mostly private interests, the change in direction is even more clear-cut. M. Yves Bernard, who came from Societe Generale, the State-controlled French bank. to take over as chairman, has spent the last two years holding down the volume of activity while the bank worked out a new stretegy. It had already come to the conclusion that it could not compete in the Eurocredit business with the big multinational banks.

M. Bernard also believes that the consortium banks have become financially vulnerable in the current economic climate. and could be aeverely hit in the event of another Herstatt-style bank collapse. Frab-Bank has cut its dependence on the interbank market-judged excessive from around 85 per cent two years ago to 65 per cent and

in the second second second in the second se

ing centres and a very dynamic reorganised its financial as well are key shareholders in the sion of the curbs to effect some approach, has cornered the as its managerial structure, consortium banks—BNP in export credit business has largest share of this business. M. Bernard has made sure that BAIL Credit Lyonnais in UBAF added a further constraint. The first organisation of its kind all commitments of two years with so much powerful state or more are benceforth covered backing. It rapidly received by resources of equal duration. All the consortium banks its founding in 1970. With All the consortium banks have built up their activity in export credits, which are backed

guarantee board. Freb-Bank's business in this sector has tripled in the last two years and export credits now make up about 45 per cent of its lending to clients.

Commodity

Like BAII, Frab-Bank has gone into commodity finance, though not so much in oil as in items like cereals and cement. It has developed a hig foreign exchange department and built up a highly profitable offsbore banking arm in Bahrain...

It is starting up a merchant banking side, which at the out-set will deal mainly in consultancy.

M. Bernard says that after a less than brilliant" first few years the new-look Frab-Bank is achieving its targets for return on assets this year after a 30 per cent risa in group profits in 1979.

Other consortium banks have followed the Big Three, including the Saudi Arabian-controlled Al Saudi Bank set up in 1976 and the Franco-Algerian Union Mediterraneenne da Banques; more joint ventures are being

But at the same time Arab bankers have been playing a mora active role on their own account through offices and branches in Paris. The city now has a couple of dozen Arab banks on its streets—a number swollen by the arrival of Lebanese banks seeking refuge from the unrest in Beirut.

Among the newcomers of the last two years is the Amman-based Arab Bank, the nidest and higgest private commercial bank in the Arab world, which was also one of the main organisations behind the foundation of in many ways more like a UBAF 10 years ago. Its chair-merchant bank. UBAF 10 years ago. Its chair-man, Mr. Abdul Majeed Shoman, son of the bank's nearlegendary founder Abdul Hameed Shoman, says that the bank continues to cater mainly for Arabs, but has also begun to provide services to French companies, including at least one in the public sector.

The bank's activity in Paris does not, be says, conflict with UBAF, with the consortium bank continuing to be mainly geared to the Euroloan sector and the Arab bank branch to commercial services. In finan-cial services, London still plays the dominant role, but Paris has taken on increasing significance through the tremendous rise in French-Middle East trade and France's recent commercial breakthroughs in countries such as Iraq.

Meanwhile French banks are putting more muscle into what was until recently a relatively sparse representation in the Middle East region. For instance, the three big Statesector commercial banks, which consortium banks—BNP in BAII, Credit Lyonnais in UBAF and Societe Generale in Frabadded a further constraint. Bank-have all built up their own networks. The value of the consortium banks in providing contacts is therefore somewhat reduced.

the joint-venture banks is rapidly disappearing.
"We've completed the first

part of our role," says M. Bernard at Frab-Bank. After a transitional opening stage the consortium banks are having to adapt. In the last 10 years tbeir main use has been to help their European and Westero partners to obtain a foothold in the Arab world and to garner Arab deposits. From now on, M. Bernard says, the banks will bave to gear them-selves more to serving their Arah partners and assisting the process of Arab investment in

While they can look to a clientele of Arah custumera based abroad, the banks will have trouble keeping their share of local markets as banking develops in the Arab world. At the same time the conaortium banks will faca increasing competition in trade services. Their laeway for growth in the French domestic market is very small, because of the strait-jacket of credit

But the banks can find consolation in the ever-increasing store of petrodollars that, they

are convinced, will begin to arrive in larger quantities. Various factors have so far in-hibited direct Arab investment... The original raison d'etre of In France. Until the 1978 general election there was the prospect of a possible Left-wing victory and sweeping nation-alisation. There has been the country's array of exchange controls - contrasting now with the position in the UK. There has been a lack of familiarity, France's traditional links in the Arah world having been mostly with non-surplus countries.

According to Arab Bank's Mr. Shoman, the main investment activity to date has been in property, with intensive buying by private interests in Paris and the South of France. Buying into companies has been very limited. The same applies to the money market and securities. Mr. Shoman explains this by the relative pancity of investment instruments in France compared with the diversified range avallabla in the U.S. nr Britain.

But bankers in Paris expect Arah investment in both shares and property in France to increase as the outlets for the use of funds within the Arab growth ceilings which came in countries themselves are right at the beginning of their reduced and as the Arab bankdevelopment. A recent exten ing system gets more ambitious,

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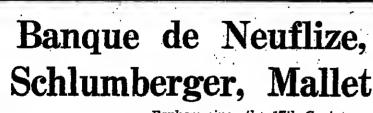


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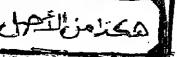
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Commanding presence for over a century

French Banks in London WILLIAM HALL

IN LONDON'S foreign banking community the French banks occupy a rather privileged poai-tion. They were the first foreign banks to set up in Lon-don and some of them bave been operating in the City in one form or another, for over a century.

At the last count there were 20 French banks in the City employing some 1,400 staff. Although the vast majority of them do not publiab balance sheet figures, because they are branches, in terms of numbers employed Banque Nationale de Paris is the biggest followed by Societé Go Crédit Lyonnais. Société Generale and

All three banks are Stateowned and have been represented in London for over one bundred years. They account for eround two-thirds of the staff employed by French banks in the City.

Banque Nationare de Paria as well as being the largest French bank in London, also lays claims to the oldest London ancestry. In 1867, the Comptoir Nationale d'Escompte established a London branch. In 1966 the Comptoir marged with Banque Nationale pour le Commerce et l'Industrie to form Banque Nationale de

to the City. Three years after in the City. One area he intends it had opened its London to concentrate on, is commodity branch, the Credit Lyonnais financing—a traditional activity opened and the latter was of Banque Francaise. quickly followed by Société Generale.

Twenty-four Credit Industriel et Commercial arrived. After another gap, of about 25 years, and in the early 1920s two more French financing the cotton trade and banks opened Londan opera-bad branches in places like. tions: Banque de l'Indochine Manchester and Liverpool. et de Suez aud Crédit Commer-

cial de France. There was another gap of range of banking activities and several decades which was in many respects their services interrupted by the arrival of are indistinguishable from the

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Bas in the early 1960s. How-ever, it has been the last decade which has seen the biggest influx of French banks. Altogether 12 French banks npened during the 1970a and virtually every major French bank ia now represented ln London. The only exception is Crédit Agricole.

The latest arrival is Banque Française du Commerce Exterieur. It opened its London branch a month ago and expects roughly to double its current staff level to around 30 by next year. Traditionally, the hank, which numbers the Banque de France amongst its shareholders, did not bave over-seas hranches. But over the last three years it has been expanding internationally at a

Relied

Banque Française du Comnerce Exterieur opened a New York operation in 1979 which now bas a staff of 60 and will soon be opening in Milan. It left its entry into the London market until later because it relied to some extent on its stake in the London consortium bank, United International Bank, However, following However: UIB's takeover by Privatbanken of Denmark. Banque Française du Commerce Exterieur was left without any representation and so decided to open a London branch.

M. Jean Francis Charrey, general manager (UK), says that his bank will operate in known, was the first of a long commercial banking services line of French banks that came to the City. Three was a service offered by other Franch banks that came the Eurocurrency markets as

The business of the French banks has altered considerably later since the Comptoir first opened its doors in London, 113 years ago. In those days, the French banks were heavily involved in These days the French banks have diversified into the broad

foreign banks directly in the City.

However, because they have been around longer than most of the foreign banks the larger French banks tend to have more local business than many of the newer foreign arrivals and do not have to rely on the "waferthin" margins in the Eurocurrency market to their over-

In particular, the big French banks have led the move by the foreign banks into the pro-Societe Generale, for example, bas branches in Bir-mingbam, Bristol, Leeds and Manchester and has recently opened in Edinburgh. Credit Lyonnais has also developed a provincial branch network. Until recently Banque National de Paris relied on representative offices in the previnces but it has just opened a full branch in Manchester and others could

follow. Aside from building up their provincial branch networks the Frencb banks in London have also been diversifying cautiously into areas such as leasing and commodity: financing. Société Generale has its own wholly owned merchant bank in London. Société Generale Bank Ltd. and this has been developing its business, with British inatitutions in much the same way as any UK merchant bank.

When the shares of the French company, Bongrin, were introduced on the Paris Bourse recently, Societé Generale London since 1947.

de Paris et des Pays servicea of the other 328 (France) Bank Ltd was Instru banks represented mental in placing a significant UK institutions. The hank also specialises in lending long-term fixed-rate Franc placings with UK companies in need of French financing, and has carved out a niche for itself as a dealer in gold-linked French Société Generale has also cut

new ground among the French banks in London by linking up with Strauss Turnbull, the London stockbrokers, to establish a joint secondary market Eurobond dealing operation— Société Generale Strauss Turnhull Ltd. Société Generale is a major force in the primary bond market and Strauss Turnbull is an important operator in the secondary market. Among the senior members

of the French hanking com-munity in London, the most significant: change during the year has been the apointment of a new chairman and manag-ing director of Bangue ing director of Banque Nationale de Paris Ltd. Lord Hunt, former Secretary of the Cabinet, took over the chairmansbip of the bank from Sir

Patrick Reilly on April 1. Meanwhile, M. Gilbert Geasthe doyen of the French banking community—has left to take over the chairmanahip of BNP's new Californian subsidiary, Bank of the West. He has been replaced by M. Michel Berger as managing director. The latter

Long tradition challenged

Inter-company credit

VIVIAN LEWIS

"WHEN-I joined this company in 1974 I was amazed to discover that in terms of the volume of loans outstanding we were the ninth largest bank in France. I expect that we are still the ninth largest bank in France today." Curiously, the speaker was financial director of an institution not normally thought of as a hank—the French chemical company Rhone-Poulenc. And company Rhone-Poulenc. And model for France 50 per cent what M. Pierre Falcon was talk-ing about was the vexed prob-enterprises." ing about was the vexed prob-lem of inter-company credit in

porate customers · over · periods countries.

its spectacular recent growth National Assembly every few was financed largely by its days is in site of yet another suppliers: France's ultramammotb-byper food distribution system—it is the world leader in "hyper-markets" per system with on the heals of the May law, most recently on October 6. caplta-was built on the back of the low-margin food processing industry, whose output had probably heen sold at the shop well before it had been paid for

This peculiarity of French This peculiarity of French business life has not been accepted by everyone. With Rhone-Poulenc squeezed for profits by its hefty debt, M. Falcon took the lead in imposing on the group's salesmen a team of credit managers order-

hunting appliance ahoppers.

A potentially more significant move against the suppliers' fit called also for efforts hy credit practice came by the passage of the Law of May 12, 1980, which gives creditors the right of recourse for payment of their goods in the event of the company to which they sold them going bankrupt. Lawyer Hervé Laigo, of the Societé Juridique et Fiscale de France, points out that the initial effect of the law may he perverse, would require. Easing up on of the law may he perverse. of the law may he perverse, credit restrictions would risk "Knowing that they have legal fuelling inflation, and adding to recourse in the event of a the costs of credit—above all at cruque may lead suppliers to the retail end—would hit the become more patient." But in average family's shopping the event that the correct basket bard. The officials of the legislative and court rulings Plan pointed out one alternative occur in interpreting the new avenue for Government action law, he feels that it will amount which is in reach. The Govern-

in funding Inter-company trade. M. Pierre Galvy, a specialist in the matter at Crédit Com-mercial de France, told a seminar on the subject (beld by the law publishing house Nouvelles Editions Fiduciaires) that talk of revolution was premature. "The banks simply cannot take the place of a system that produces FFr 550br in credit each year. Credit to buyers, will be limited by the system of ceilings on the volume of new bank lending." (The encadrement de crédit, pegged to increase by only 10 per cent in 1981.) "Besides," he adds, "even in Germany which is normally taken as a

But others point out that roughly half of industrial bills In contrast to most industrial between German companies are countries, France lacks a developed system of bank credit to bnyer companies. So for French manufacturers to sell dustry, and by a Bill before French manufacturers to sell dustry, and by a Bill before Parliament, the Loi Dailly—to develop a system of discounter that the produce they the material they produce, they develop a system of discount-must themselves carry their coring trade bills. It is not clear whether this system would bave so long that would result in the effect of reducing the credit being cut off in most other lengthy terms of payment in ountries.

France, and in fact, thanks to
For example, in many parts of the usual legal ambiguities, the distribution system in this time about the right of re-France 90 days credit is con-sidered normal—and with the end of the month to help buyer went bankrupt; it is far matters along it is frequently from clear if the bank could be 115 days hefore the supplier is assigned the sellers' rights. An paid. The owner of a chain of vehicle parts atores admits that remains to be done, and the

Inadequate

The rediscounting facilities of the Bank of France are judged to be inadequate for the pur-pose of allowing hanks to discount commercial credits in greater quantities; costs are high and most settlements are based on a 90-day norm. Given the legal ambiguities and the effect of ceilings, banks are not Falcon took the lead in imposing on the group's salesmen a team of credit managers orderling a normal term for payment of goods of 30.45 days and meeting stubborn resistance every inch of the way.

In distinction from the norm in the distribution acctor, one cut-price appliance retailer—Darty, which is one of the fastest growing—surprised the trade by offering to pay cash on the nail. In return it asked for, and usually got a 3 per cent discount, which it was able to pass on to bargain-hunting appliance ahoppers.

A potentially more significant

to a revolution in French ment Itself, a notoriously slow husiness; and banking life. payer, was told to speed up payer, was told to speed up To some extent, it will be up payment of its own bills.

Landesbanken and Sparkassen

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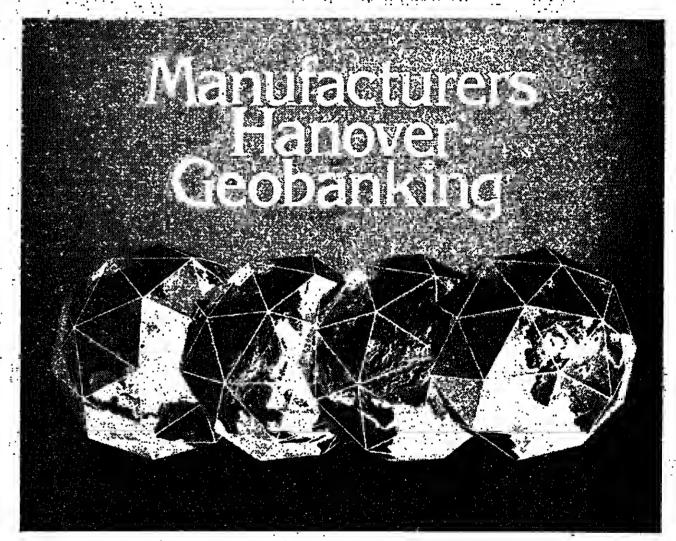
zing in wholesale banking services ranging from commercial and public-sector lending, project finance, and foreign trade finance to portfolio management, security dealing, and international finance - often arranging or participating in syndicated Euroloans and Eurobond issues. For refinancing purposes, the Landesbanken are authorized to issue their own bearer bonds.

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To open in 1980.

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DE PAR

Time to talk down sterling

BY ANATOLE KALETSKY

That there to stop evading the change rate from the Government most important economic issue ment would be a salutary facing has all the could be a salutary generate an economic recovery the exchange rate.

More rational

The fact that she does not unthinkable. What has changed that government can control the exchange rate is ifference rationality into the exchange rate — the economic exchange rate is a strong that the exchange rate is a str industrial investors she should ployment caused by over-valued be willing to do more than just sterling are apparently offset in assert that she will stick to her policies come holl or high water. She must also show that she knows where these policies are leading. In particular, Ministers should state whether, in principle, they accept the contention of almost all iodustrialists and of the majority of economic commentators that the present exchange rate is much teo high

The public utterances of Ministers suggest that, at the moment, they regard the hene-fits of a high exchange rate as outwelghing the disadvantages. Even the Chancollor's recont Mansion House speech, in which be atated that "some of the of sterling are likely to be temand for industrial "realism." Of course, the Chancellor said in the same breath that he does not. in any caso, "bave the option of managing the exchange rato at some desirable without abandoning monetary policy. In principle this is at best a half-truth, as

can be seen from the exporience of the eight nations in the European Monetary System which have managed their exchange rates quite successfully. Sterling could be weakened by intervention, if nocessary

.For speculators who are now piling into sterling at a level ive, and more harmful than in-which a few months ago they flation.

locreases.

IS THE Government happy to would have regarded as ridicuthe pound at \$2.40 or even lously high, a less equivocal the for Mrs. commitment to a lower ex-

gaps lo the hedgerow. facing her administration. She warning which in itself could state forthrightly drive the exchange rate down-whether she believes that her wards. Instead, there are now reconomic strategy? curious enough to stop and peep through the hedge, you find that it is indeed an aircraft, although people in the City talking about the possibility that sterling at of a distinctly vintage character. with sterling at this level or \$2.50, or even at \$2.80 may be The aircraft is that piooser of whether she expects; sooner or not just consistent with, but later, to see a sharp decline in actually necessary for the suc-Havilland Comet. cess of the "economic strategy." Strathallan Air Maseum and the Such an idea may seem far-

fetched, but a few months ago

it would have been utterly in the meantime is that the Government has hegun to reap ictions of wage bargainers and contraction and rising memthe Government's calculations by low inflation, quiescent unions and the relativoly high by low inflation, levol of consumption enjoyed by who are oot johless. Indeed it could be argued that all the economic achievements of the Thatcher administration to date have been derived directly from the strength of sterling. Under these circumstances would the Government be prepared to take the risk of letting the exchange rate fall to the sort of level that could be justified by international

comparisons? At the moment the answer is quite possibly "no." despite the Government's protestations of factors underlying the strength total noutrality on the exchange rate question. The reason is porary," put more stress on the the belief that maximum pres-benefits of a positive impact of surs on employers and unions atrong exchange rate—for has to be maintained in the living standards, for iofiation early stages of the pay round.

Addictive

However, the great danger of the Govornment's waiting game is that, as sterling rises to evor. dizzier beights and as the date of the next General Election approaches slowly but inexorably, there will be mounting political risks in pursuing policies designed to bring sterling back down to a tolerable level. Mrs. Thatcher must realise that it is now because of the high level of sterling that Britain financed by Government North ".is living beyond its means."
Sea reveoues, higher borrowing or, in extremis, oven tax consumption and bigh unemployment created by an over-valued currency can be just as addict. Sunley Builds.

Grounding a museum

BY RAY PERMAN, SCOTTISH CORRESPONDENT



particularly the 200 members of the Strathallan Aircraft Society who give up their weekends to help with the exhibits. They have organised a petition calling on Sir William to change his mind and it has already

Local politicians, who value the contribution the museum the collection intact.

The collection started when

Sir William, a qualified privato pilot, saw a Hawker Hurricane advertised for sale and decided to buy it. It turned out that the aeller wanted to dispose of not one wartime fighter but three. Tha deal as finally concluded was for the Hurricane, two

at Sboreham, needed repairs and maintenance work, so Sir William in turn needed an engineer. He found ooe shortly afterwards when Dick Richardson, a chief engineer with the RAF, heard about the aircarft and got in touch.

STRATHALLAN

attracted 20,000 signatures.

bas made to the economy of a rural area which could not otherwise expect much in the way of tourist revenue, are also concerned. Mr. Nicholas Fairbairn, MP for Kinross and West Perthshire, is leading the campaign to find ways of keeping

Spitfires and a heap of spares an instant aircraft collection.

The three aricraft, then kept

In 1972, it was decided to move the collection from Shoreham to Sarathaffan, where a 100-acre site offered ample room for an airstrip as well as workshops and display space. One of the Spitfires had been sold, but Sir William had bought two U.S.-built Harvards. used during the war as Spitfire trainers.

Once it had made the move, the collection expanded rapidly and between 1972 and 1975 no less than 40 aircraft were acquired.

Somo famous models wero added. Besides the Spitfier and the Hurricane, the acquisitions included a Mosquito, the wooden-framed, two engine a . Lancaster. fighter/homber, perhaps the most famous of

Mr. Richardson's interest in veteran aircraft had beenwhetted by working on a Lancaster bomber during his RAF days. In his time with the collection he has moved from being an engineer to museum manager and has travelled ex-tensively in the U.S. and Canada, often tao remete areas, to inspect aircarft offered for

> short take-off and landing sircraft used extensively to drop agents and supplies into occupied Europe. Each aircraft was nainstakingly restored to flying condition. It has always been part of Sir William's philosophy that Strathailan should be a living collection rather than a dead museum. One of the few exceptions is the Comet, whose fatigue life had expired when

> > The flying philosophy has, however, proved expensive. As a static museum Strathallan could probably have been made profitable, but only at the expense of its appeal—in particular the annual two-day air

it was bought from the RAF

RAF's wartime hombers, and a Lysander—the versatile team of four engineers costs a great deal of money. Aircraft must not only look right; to be the spring airworthy often means replacing most of the structure.

Sir William Roberts (centre), at Strathallan Airfield with two of the senior airline pilets,

There are other expenses. The impressive new hangar, huilt in 1977 to bouse most of the collection, attracts a high rateable value and last year the museum paid £12,000 in rates to the local authority. As a private collection rather than a registered charity, as are many similar museums, it is not oligible for rating relief.

The future of the collection is uncertain. Sir William wants to

who, together with noted test pilots, flew the museum's aircraft on display days show when many of the vintage retain some of his favourite aircraft are put through their aircraft and will keep on the paces. As it is, the painstaking four engineers to finish the restoration work (the Lysander latest project, the restoration of took 10,000 man-hours) by the a Fairey Swordfish bi-plane, The rest of the aircraft will probably be sold at auction in

> redundancy on the museum staff is sad to be leaving, but looks back on his nine years with the collection with happy memories. The experience he has gained will stand him in good stead in his new job as manager of the Canadian Warplane Heritageat Hamilton, Ontario.

Attempts to save Strathalian go on, with talk of raising money to buy the collection and endow a charitabla trust. But Sunday's closuro is an ominous warning that time may be running out

Juveniles go for hat tricks

THERE ARE likely to be few at a comfortable beating to Jaint Newmarket today prepared to risk a substantial bot on the outcome to the Zetland Stakes. Tho 14-mile event could hardly look trickior. Jeremy Hindley saddles the still improving Bass while fellow Newmarket handlor, Michael Stoute, brings out Allegretta again and Gavin

jet passenger transpor, he Da-

The field belongs to the

Comet is just one of an exten-

sive private collection of war-

time and pre- and post-war air-

craft which draw around 70,000

visitors a year. On Sunday the museum will close as usual at

the end of the summer and

autumn season. The difference this year is that it may never

The museum is owned by Sir

William Roherts, a landowner,

farmer and husinessman with

interests in Scotland and Kent.

who has huilt it up ovor 10 years

but now fels that other demands

on his time and money are forc-

ing him to dispose of the collec-tion. While he has not definitely

made up his mind how this will

he deno, the likelihood is that

most of the aircraft will be sold.

The prospect has caused an outery among aero enthusiasts,

re-open.

RACING

BY DOMINIC WIGAN

Hunter relies on Sunley Builds. All three juveniles are bldding for hat tricks.

Although Allegretta confirmed the premise shown on her debut wheo defeating More Stones by three lengths over a mile an dono furlong at Wolverhampton. I prefer to rely on the proven class of Baas and

The Hindley colt probably put up his hest performance to

5.05 Screen Test. 5.05-5,35 Telif-

fant: Chwilio am Aur. 5.55-6.20

Wales Teday. 7.00-7.25 Heddiw.

Command in Yarmouth's Albert to date there on Champien Stakes - afternoon, - heating Bedford in the Houghton. There may be little in it but I am content to rely on Baas.

While flat racing enthusiasts are making their way to beadquarters a good-sized crowd shoold be converging on Sandown. The most interesting aspect of the afternoon thero will be the reappearance of the brilliant but injury prone Rathconrath.

Many are aware that Fred Winter bas always held the seven-year-old in high esteem. but few realise that he considers Rathconrath to bo possibly the most talented hurdler he has had in his care. Early last season, Winter felt that, given a return to peak fitness, Rathconrath would take the world of beating in the champion hurdle.

LONDON

9.30 am Schools Programmes. 12.00 A Handful of Songs. 12.10 pm Once Upoo a Time. 12.30 The English Garden. 1.00 News at One. 1.20 Thames News. 1.30

For Maddie with Leve, 200 After

mmerdale Farm

6.00 Thames News.

6.30 Thames Sport.

10.00 News at Ten.

7.30 Fancy Wanders.

9.90 The Gentle Touch.

Donald Swann.

···· ATV

BORDER

CHANNEL

- GRAMPIAN

GRANADA

11.00 The London Programme.

11.35 Side Street. 12.30 am Personal choice with

ANGLIA

5.45 News.

8.00 Vegas.

10.30 Benson.

Sadly, the handsome Wolver Hollow gelding suffered a train-Bottom Memorial Nursery ing setback fellowing an Sunley Builds ra this best race encouraging run behind Celtic Ryde at Cheltenham in December, and had to forego a tilt at the championship prize.

. However, Rathconrath is now considered to be hack better than ever.

A year ago the event want to his considerably less talented stabla companien, Rodman,

NEWMARKET 1.15 Port Aransas**

1.45—Fleurs* 2.15—Hindi 2.45—Baas 3.15—Mistress Medina 3.45 Composer***

SANDOWN 1.00—Russhill 1.30—Mister Parsley 2,00-Loving Words

HTV

2.30—Rathcenrath 3.00-Norfelk Arrow 3.30-Washington Heights

on Friday, 11.00 Soap, 11.30 The Continental: "The Widow Couderc" with Alein Belen.

9.20 am The Good Word. 3.25 Horth East News. 1.20.pm North East Hews and Lookeround. 12.45 Friday Marings: "Nurse on Wheels." 5.15 Happy Osys. 6.00 Horth East News. 6.02 Sportstime. 8.00 The Streets of Sen Fraccisco. 10.39 Horth East News. 10.32 Friday Live: The English Pub. 12.00 Aravery in the Field. 12.30 am Countryside Christian. ULSTER

1.20 pm Lunchime. 2.45 Friday Matines: "Fearl of the South Pacific." 4.13 Uletar Naws. 5.16 Happy Days. 0.00 Good Evening Ulster. 8.00 Twentyone Today—Ulster TV enniversary gals. 16.30 Witness. 10.35 The Gentle Touch. 11.35 The Incredible Hulk. 12.30 em Bedtime. WESTWARD

1.20 pm Westward Hews Headlines.
2.65 Fridey Matines: "The Batrayel."
4.12 Gus Henaybun's Airthdays. 6.00
Westward Biary. 8.00 A Men Celled
Sleans. 10.32 News. 10.35 Fath for
Life Phone-in. 10.40 Village Action.
11.10 Premiers Movie: "Celiver Uo
from Evil." 12.30 am Fath for Life
Postscript. 12.35 Weather and Shipping. YORKSHIRE .

Against the Wind, S.00 Calendar: Emley Moor and Selmont editions, 5,30 Sport. S.00 The Incredible Hulk. 10,30 Seep. 11,00 Film: "The Girl Who Knew Too

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io black and white 9.05 am For Schools, Collogos. 11.25 You and Mo. 11.40. Schools, Colleges. 12.45 pm Midday News. 1.00 Pebble Mill at Heyry, It's The King. 4.55 Crackerjack. 5.35 The Amazing Adventures of Morph.

5.40 Eveniog News. 5.55 Nationwide (London and South East only). TV/Radio 6.20 Nationwide. 7.00 It Ain't Half Hot Mum.

> Sout East saly). 10.45 News Headlines.

6 No longer largo enough and

7 Breather I must follow in

8 Flask mother's converted

18 Hiding fellow joining circle

19 Distinguished, hut haviou

an electric fire? (7)

fetter (6)

26 Tribe left in gaol (4)

Solution to Puzzle No. 4.413

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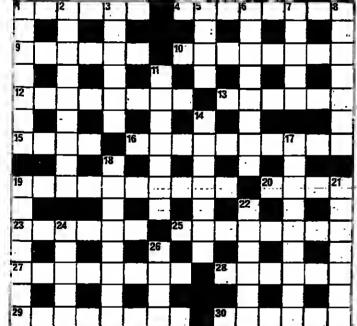
insufficient power to act (7)

unwanted (8)

loincloth (5)

halcony (7)...

F.T. CROSSWORD PUZZLE No. 4,414



ACROSS 1 Shoot in subsidiary shop (6) 4 Illuminated overflow liter-

9 Ohlige company member to join the Spanish (6) 10 Stretch a grammaticol struc- 11 Partially over and above a turo (8) 12 Railway employees and offi. 14 Exhibition cancelled by cials at Wemhley (8) ostentatious person (43)

13 Trite statement I strum in 17 Surreptitious action of an correctly (8) correctly (6) 15 Entrance a crowd (4) 16 Food for ready money? Two onarters? Crazy! (6-4) 19 Come to a point to simplify

21 One of the essential parts of (6, 4)20 Vain Image it's said (4) 22 Seize meat, arrest and 23 Stagger a junk collector (6) 25 Belonging to a race, natur- 24 Have experience of, in a ally (2, 6) 27 Cultivate 10 vile prison (8)

28 Delight in physical oxercises around meadows (6) 29 Technical soldiers returning with chap and suddenly appoaring (8) 30 Believe in good character

and distinction (6) DOWN

lizard (9)

ship? (4)

1 Reserve is to reverse record

2 One who wards of notice oo. 3 Mark made by folding dagger (6) 5 Plaot coming up under

Ono. 1.45 Over the Meon. 2.02

For Schels, Colleges. 3.25 Pry. on Welsh rughy football. dain Fechan. 3.53 Regional 11.45 Grand Slam by Gwenlyn Nows for England (except London). 3.55 Play School. 4.20

All regional programmes as Yogi Bear. 4.25 Jackanory. 4.40 BBC-1 except as follows: Heyry, It's The King. 4.55 BBC Cymru/Wales—1.45-2.00

7.25-7.55 Prydain Fechan. 7.53-8.20 Angels. 8.20-8.50 The 30 The Dawson Watch. 10,15-11.15 A Dawson Watch. 8.00 To Serva Them All My Days by R. F. Delderfield Touch of Glory: 100 years of -Weisb rugby. 11:15-11:16 News fer Wales. 11:16-12:16 am Grand 8.50 Points of View. 9.00 News. 9.25 Starsky and Hutch. Schools: Let's See. 12.40-12.45 pm. Scottish News. 5.55-6.20 Report-ing Scotland. 10.15-10.45 Rings

on their Fingers. 10.45-10.50 News for Scotland. Northern Ireland — 3.53-3.55 Northern Ireland News. 5.55-6.20 Scene Around Six. 10.15-10.45 The Last Roso of Summer. Thomas Mooro (1779-1852). 10.45-10.50 Nows for Northern Ireland. 12.50 am News for pm Sioncyn Shoncyn. 2.03-2.22 I Ysgolion. Hwnt Ac Yma. 4.40-

Northorn Ireland. England 5.55-6.20 Look East (Norwich); Look North (Leeds, Newcastle); Look North West (Manchestor); Midlands Today (Birmingham); Nationwide London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.15-10.45 East (Norwich)—Weekend. Mid-lands (Birmingham)—Just an Ordinary Ride, North (Loeds)— Ordinary Ride, North (Loeds)—
Our Northorn Economy, NorthEast (Newcastle) — Coast to
Coast: Youth on the Dole, NorthWest (Manchester) — Co u s in
Phillis by Mrs. Gaskell. South
(Southampton) — Tho Flying
Bötts: South-West (Plymonth)—
When Convicted to the Company of the Convicted to the Con

Whop Cornishman was King. West (Bristel)—RPM Rock, with John Peel

BBC 2 11.00 am Play Schol. 5.40 Harold Lloyd?. 6.05 Monkey (naw series). 6.50 Speak for Yourself.

7.15 Mid-Evening News. 7.25 Lies: a play by Willy Russoll. 7.55 In the Country with Angela Rippon.

8.25 Newsweek: The Amorican Presidency. 9.00 Steptoe and Son. 9.30 "Caught On A Train," by Stephen Poliakoff.

10.50 Newsnight Wightman Cup.

11.30 International Tennis: 12.00 Friday Night . . . Satur-

day Morning, with Jane Walmesley. RADIO 1 (S) Starophonic broadcast 2Medium Wava only 5.00 em As Radio 2, 7.00 Dave Les

Travis, 9,32 Simon Bates: Goldan Hour Part 1. 10,32 Andy Peebles. - 12,30 pm Howsbeat. 12,45 Paul Surnett. 2,32 Simon Sates: Goldon Hour Pert 2.
3.32 Peter Powsil. 5.30 Newsbaat.
5.45 Roundtable. 7.31 Anne Nightingele.
10.02 The Friday Rock Show (S). RADIO 2
5.00 am Newo Summery. S.C. Rey
Moore (S) including 6.15 Pause for
Thought. 7.32 Terry Woğan (S) Including 8.27 Racing Sulladn, 9.45 Pause
for Thought, 9.03 Radio 2's top fivo
albume. 16.03 Sueannah Simono (9).
12.03 pm Nevid Hemilton (S), Including 1.45 Sports Osek. 2.03 Ed Stawart's
Request Show (S), including 2.45, 3.45
Sports Osek. 4.03 Much More Music
'(9) with Osvid Symonds, including
4.45, 6.46 Sports Osek. 6.83 John Ounn
(5) including 8.45 Sports Osek. 8.02
Wightman Cup Special. 10.02 Keep it RADIO 2

Wightman Cup Special. 10.02 K98P it Meclean. 16.30 The Organist Entertains. 11.02 Srian Matthow with Round Midnight, including 12.00 Midnight News-room. 2.02 em alg Fight Special: Jim Watt v Sean O'Gredy, Ive commontary from Gleagow. 3.30-5.00 You and the Night ond the Music. RADIO 3 7.00 am News, 7.05 Ovorture Concert: Kendelseohn, Borodin, Tchelkovsky Mendelssohn. Borodin. Tchelkovsky (S). 8.00 News. \$.05 Morning Concert:

Vightman Cup Special. 10.02 Keep it

Vivaldi, Mozart, Ravel (S), 9.00 Naws. 8.05 This Week's Composor: Walton (S): 10.00 Piano Racital (S): Bach. Rechmeninov, Lennox Berkeley, Proko-fiov (S). 10.50 Jenecek and Lutyens String Quarter and Solo Clarinet rectal (S). 12.00 Boston Symphony Orchestra Cencert, Port 1: Schubert. Mozart (S). 1.00 pm News, 1.05 Concert, Part 2: Haydn (S). 1.40 Comparing Hotes: Talk, with records, by paring Holes: Talk, with records, by Christophar Hogwood (S). ZAU 8eth Footwal 1890: Trio-sonetse and songs by Purcell and contemporaries (S), including 3.30-3.35 Interval Reading, 4.16 Suitding a Ubrary: Nielsag s. Firth Symphony on record (S). 4.55 News. S.00 Meinly for Pleasure, with Rogor Nichole (S). 6.55 Ploy It Again, Proudew (S), 7.00 Tha Compigte Waben, introduced by Clive Bennett (S), 7.15 One Pair of Ears. 7.30 Ida Heandel, Violin and Pigno recital, Part 1: Brehms, Violin and Plano recital, Pert 1: Brehms, Grieg. (S). 0.25 50 Years of the 886 Symphony Orohastra. Talk by Nicholas Konyon. 8.45 Heendel, Pert 2: richoles Konyon. 8.45 Heendel, Pert 2: Chelleson. Szymenoweki. Suk, Wienlewski (S). 8.30 Sequences, Poetry readings on the thome Some variations." 10.00 Music in Our Time. Tordic Music Daye Featuring music ond musicians from Great artsin (S). 11.00 News. 11.05 Purcell (S). VHF ONLY—OPEN UNIVERSITY 11.15 pm The Pra-School Child. 11.35 Health Choices—Blue Skies.

The state of the s

The Financial World Tonight. 11.30 (1.00 News. 11.05 Furcial (S).

The Pre-School Child. 11.35 Health (Story for Hellowsen. Embyo Williams version of "The Signalmen" by Choices—Blue Skies.

RADIO 4

6.00 am Naws Briefing. 8.16 Farming (cv./9.05 etaoln shrdlu etaoln etaoln

1.20 pm HTV News, 2.00 Houseparty.
2.25 Friday Martineo: "Master of
Bejlantreo" with Errol Flyan, 5.15
Mork and Mindy, 0.00 Raport West.
5.20 WKRP in Cheinnati, 5.00 Tenspeed and Brownshoe. 20.22 HTV
News, 10.25 Report Extra, 11.05 Benson,
11.25 Kare Inner a Mystery. "It Gods. Noon Plus. 2.45 Friday Matines: "Shell Game," 4.15 Come Back Lucy. 4.45 Animals in Action. 11.35 Kets Loves & Mystery: " It Goes with the Terffory.

HTV Cymru/Wales—As HTV West except 9.35 am Am Gymru. 12.00 Ffaisbelam. 4.15 pm y Fechan Yn Yr yd. 4.45 Clepperboard. 5.16 The Muppet Show. 8.00 Y Dydd. 5.15 Report Wales. 16.35 Ortlook. 7.00 Play Your Cards Right.

SCOTTISH 1.20 pm News, 2.45 Friday Metines:
"Sitting Pretty." 0.00 Scotland Today,
0.25 Sports Extra. 6.45 Hear Hore, 8.00
The Incredible Hulwk, 19.00 Scotlieh
Hewe Headlines, 10.30 Ways and
Means, 11.00 Late Call, 11.05 Night
for the Scraemish: "The Dunwich
Horror."

All IBA regions as Louden ex-SOUTHERN 1.20 pm Southern News. 2.00 House-party. 2.25 War Satween the Table. S.16 Mr. and Mrs. 6.00 Oay by Ory. Scene South East (South East area only). 6.30 Out of Town. 7.30 The Incredible Hulk. 8.30 Fancy Wanders. 10.00 Southern News Extra. 10.35 Isle of Wight Artisans. 11.05 Benson. 11.35 Continental Showcase: "Hagan Fuego. Por Favori" 12.25 am Music Speaks Louder than Words. AINSTLIA

1.20 Anglis News. 2.00 Houseparty.

2.25 Film: "Barnecis Bill" with Alec Guinnesst. 3.45 Cartooo Time. 6.00 Abous Anglis. 0.00 Incredible Hulk.

10.00 Anglis Less News. 16.30 Sevon Days. 11.00 Sosp. 11.30 Film: "The Money Jungle." 1.16 am At the End of the Osy.

Louder then Words. TYNE TEES 1.20 ATV Haws. 2.45. Movie Metinee:
"Peerl of the South Pecific" with
Virginia Mayo. 5.75 hijf rent Atrokes.
6.90 ATV Today. 2.00 Charle's Angele.
10.30 Sosp. 11.00 ATV Hews. 11.05
Charles Bronson Moviet "Ville Ridge."

1,20 Sorder News 2.45 Friday Matines: "Ganevieva." 5,16 Dill'rent Strokes 8,00 Lookeround Friday, 6,30 Superator Profilio: Dudley Moors 8,00 A Man Califod Sioans. 70,30 Ferm School. 11,00 Lete Film: "Saveges." 12,16 am Sorder Hews Summary. 1.20 Chancel Lunchtine Haws, What's on Where. 2.45 Friday Matinea: "The Satrayal." 6.00 Channel Report. 6.30 Whei's on Where. 6.35 Ledies First. 8.00 A Man Called Stoans. 10.25 Channel Lais Hews. 10.36 Viglon USA. 10.40 Village Action. 11.40 Pramiers Movie: "Deliver Us Irom Evil." 12.30 am Haws in Franch.

1.20 Horsh Haws. 2.45 Fridey Metines:
"Devil on Horseback." 8.00 North
Toright. 2.00 The Incredible Hulk. 10.30
Reflections. 10.35 Film: "Play Misty
lib" Ma" with Clini Esstwood. 12.25
North Hardings. 1.20 pm Calendar News. 2.45 Friday Mathree: 1" Nurse on Wheels." 5.16 1.20 Graneds Reports 2.00 Live Irom Ageinst Two 2.50 Friday Motingo: "A Mesoege to my Osughter." 5.15. Mr. and Mrs. 8.00 Th 6.00 Graneds Reports 6.30 Kiek Off. 10.00 Fr. 8:00 The Incredible Hulk. 10.30 A Week Much."

Paddy Batsson, 5.00 News magazins, 6.00 News, 6.30; Going Piacas with 8arry Norman, 7.00 News, 7.05 The Archers, 7.20 Pick of the Week (S), 9.16 Profile, 8.30 Any Questions? 9.15 Latter from Americe; 9.30 Kateldoscops, 10.00 The World Tonight, 10.35 Week Ending (S); 11.00 A Book at Beddiner: "The Franchies Affair," 11.15 The Financal World Tonight, 11.30 Today in Parifement, 11.55 Chapt

THEATRES THEATRES

OPERA & BALLET COLISEUM. S. 836 3161 CC 240 5256. ENGLISH NATIONAL DPERA Tonloh & Tues 7.00; Arabella Tomor & Thurs 7.30: La Schema Wed 7.50: La Belle Helena 104 belcony mata avail from 10 am on day of peri.

EYRIC HAMMERSMITH, CC. 01-741 2311.
LSS 3 parks Ton't 7.30, Tomor 4.30 &
8.15. THE WILD DUCK, Ibsen, a new
translatio, by Rockid Hosses, a new
Michael Blacemore, Web Richard Science,
Michael Blacemore, Web Richard Science
Form or Logical Incides Part Eddington,
LTRIC STUDIO EVER
LOGICAL CHARLES, David Planner's
new comect, director, David Giles,
Today 1.1 S. A GALWAY GIRL.

AMEASSADORS, S. CC. 826 1171.
Evgs. at 0.00; Mats; Sats. at 4.00.
DOMALD SWANN & PRANK TOPPING.
In SWANN WITH TOPPING. Seets \$2.50.
\$3.30, \$4.30, \$5.50. PRINCE OF WALES THEATRE, DEC 8681. Credit card bookings 930 0845; An APOLLO. S. CC. 01-437 2863, Grp. sales 379 5061. Evrs., E.Od. Wed. 3.00, Sat. 5.00, 8.00 (Wed. mat S.00 from Now. 12). RODNEY BEWES, HATTHEWS In MIDDLE AGE SPREAD. Contrody of the Year West End Theatre Awards. Last the weeks. OUEEN'S. CC. 01-734 1186. Eves. 8.00. Sat. 4.50 and 8.00. Tom Coortness. Preddle Jones THE DRESSEK. The new ptay by Ronald Harwood. Illrected by Michael Billott. ARTS THEATRE 01-836 3534-2132, Mon-Thur. Evgs. 8.00, Frl. 8 525, 0.30 & 9.00, JOE ORTON'S LOOT, Directed by Kenneth Williams. RAYMOND REVUEBAR. CC. 01-754 1593
AI 7.00, 8.00, 11.00 pm. Open Suns.
PAUI. RATMOND presents The
FESTIVAL OF EROTICA. New Acts. New
Girls. New Thrills. 23rd sensational year.
Fully sir cond. CAMBRIOGE THEATRE. S. 01-836 6055.
Credil card botline 01-836 7040. 01-240 5679. JOAN: COLLINS, SIAND, 17-240 5679. JOAN: COLLINS, SIAND, WILLIAMS, JAMES VILLIERS, ELSPETM WHILLIAMS, JAMES VILLIERS, ELSPETM MARCH, MOYRA PRASER & MICHAEL ALDRUOGE In THE LAST OF MRCK. Ets., Mon.-Fri. st 5.0. Wed. 3.0. Set. 3.0. 6.30. Ani-inflation policy—scats at £1.50. \$2.50. \$4.00 in stalle and royal circle. Sudents, Nurses, OAP-£1.50. Group sales 379 6061 & 036 6056. SAVDY DHEATRE, 01-830 0006, JOI ALDERTON. PAULINE COLLINS. Charles Dyer's comedy RATTLE OF SIMPLE MAN. EVOS. MON. TAUE. 0.00. F1. and St. S.4S and 0.0. Reduced Group Bookings 839 301 Credit Card Gookings 035 0110. COMEDY THEATRE S. CC. 01-930 2578.
Gro. sales 80x Office 379 6061. Ever.
0.00. Mat. Sat. 81 5.00 CLEO LAINE
as COLLETTE with Kemedh Naison acid
John Hoffat. A story with music by
John Dankworth. Last 2 weeks. Saason
ends Nov. 8. CRITERION, 930 3215. CC 379 6565.
Group 8kgs. 036 3562 or 379 6561.
Evel. 8.00. Prl. and Sat. 8.00. 8.45.
Robin Ray. Jopathag Adams, Marin Connor, Tricis George to TOMPDOLERY the works and music and lyrics of TOM LEMBER. SHAW. 01-388 1394, Evgs. 7.30. THE PRICE by ARTHUR MILLER, LOW prices, Easy parking. DUCHESS TH. CC. 91-836 8243. Group sales 379 0061. Eves. 8.00. Sats. S.30 & B.30. Thurs. Mat. 3.00 Thurs. Mat. 5.0 from 13 Nov.) MARIA AITKEN MICHAEL JAYSTON IN Noci Coward's PRIYATE LIVES. ST. GEORGE'S THEATRE, Tufnell Park N7. 24 Hour Booking 607 1125, Tonight, Tomor & Thurs 7.30 THE WINTER'S TALE Tues & Wed 7.30 MACRETH. ST. MARTIN'S. CC. 836 1443. Evec. 8 Maibinee Tues. at 245. Sat. 5 and 8 Agatha Christ et 1HE MOUSETRAN World's longest-ever run, 20th Year. DURE OF YORK'S. CC. 836 S122. Mon-Tha 0.0. Pri 0.30. Sat 5.30 & 8.30 Metinee Wednesday at 3.0. FRANCE de la TOUR. OAVID de KETSER IN DURT POR ONE by Tom KEMPINSKI. PORTUNE. 01-836 2236. Evenings 0.00, \$41. 5.0 & 0.0. EDWARD DUKE IN JEVYES TAKES CHARGE by P. G. WODHOUSE. GARRICK, CC. S. 836 4501, Eves. 8.00 (Sharp). Fri. and Sat. 530 and 8.30. WILLIAM FRANKLYN DEATHTRAP. Group Bookings UT-379 5061. GLOBE. S. CC 01-437 1992, 01-438 8770 Eves. 8.0. Set. 6.0 & D.45. Group Subs. 80x Office 01-379 5061. HINGE & BRACKETT AT THE GLOBE, FOR A LIMITED SEASON ONLT. TALK OF THE TOWN. 01-724 5051
AIR CONDITI NING. CREDIT CARS:
LONDON'S GREATEST NIGHT OUT
From 8 O'clock Diming & Duncing 9.20
SUPER REVUE BUSBLY and in cabare
at 11 KAMAHL Oancing bulk! 1 am GREENWICH THEATRE S. CC. 058 7795, Even. 0.0. Meta. Sec. 2.50, foods Sec. Time And The Conway's by J. S. Time And The Conway's by J. S. Time And The Conway's by J. S. NOW. A new play by Peter Ouckman. HAYMARKET, Theatre Royal. 01-930 983Z Eves. 7.45. Wed. 2.30. Set. 4.30 and. 0.00. LEONASH PROSSTER PRUNKLIA SCALES IN MICHAEL FRATN'S MAKE AND BREAK. Directed by MICHAEL 9LAKEMONE. THEATRE ROYAL, Drury Lane. 838 B108: S. CC. Dank: Quilley, Shella Hancock. Swissney Toom. Broadway Musical, Winner of 8 Tony Awards. Evs. 7.30. Soars from £2.50. Group Sales Box Office 01-379 6061. Must end Hovember 15. HER MAJESTY'S. 630 8605. S. C. Evgs. 9. Sat. 5 & 8.15. Wed. Maks. 8. Group sales 01-379 6061. THE STREETS OF LONDON by Dion Bouclouit. VAUDEVILLE CC. 01-836 9900. Mon. tr Fri. 7.45. Wed mat 2.45, Set. 5 & 8.15 10.48 Flowerst Colon Black! 10.48 A new play by Alan Bennett Directed by Synald Eyre. KINGS HEAD, 220 1916, Dar. 7. Show 8 GOOD FUN by Victorie Wood. LYRIC, S. CC. 01-437 3686. Evenings 8.00. Wed. 3.00. Srts. S.30 and 8.30. OINSDALE LANDEH, NICOLA PAGETT in ALAN ATCKBOURN'S TAKING STEPS.

CC. 01-036-7611; Eve. at 7.30 0. 7.45. Mats. Thurs. at 5.00. RYTTON. CAROLINE VILLERS AYLISS and ANNA NEAGLE In R LAUX. Group bookings ring 7.58 or 91-379 6081. ALDWYCH. S. 026 8404. CC. 379 6233
(10-6. Sats 10-4). Into 836 SS32.
ROYAL SHARESPEARE COMPANY
Sats available Ton't 7.50. Throo' 2.00 &
7.30. LAST TWO WEEKS JUND AND
THE PAYYOCK BY SEAR D'Casey. Group
Sales Box Office 379 8061. For RSC
Prestal booking key 22023. Booking Ren
MCCHOLAS NICHLERY Grown 13 Hor).
RSC also at The Warehouse and Piccadilly
Theatres.

Today, 6.30 Today, including 5.45 Prayer, 7.00, 8.00 News, 7.30, 8.30 News Headlines, 7.45 Thooght for the lay, 8.35 Yesterdey in Parliament, 9.00 News: 8.05 Oesert Island Olecs. Novelist Cathering Gaskin, 9.55 Feed-back, 16.00 News, 26.02 Interpretable Novelist Catherina Gaokin. 9.45 Fandback. 16.00 Naws. 10.02 International Assignment—The Urban Future. 10.30 Delly Service. 10.45 Story Time: "Edge of Oerkness, Edge of Light." 11.00 News. 11.05 Reel Evidence. Here Today . . . Gono Tomorrow? with Roger Cook. 11.50 Netural Solection. 12.00 News. 120.02 pm. You and Yours. 122.77 The Senior Pertner. 1.00 The World at Oner. News. 120. The Day News. 120.02 Pm. Por News. 10.00 The World at Oner. News. 10.00 The Day News. 10.00 The World at Day News. 10.00 The The Sanior Pertner. 1.00 The World at One: News. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theores: "Prodigies" by Dawn Lowe-Watson. 4.05 In my Young Oays. 4.15 Alternative Medicine: 2ack pain. 4.45. "Hall Hath No-Fury" by Peddy Batsson. 5.00 News. magazins. 6.00 News. 6.30 Golop. Plance with

Please send me details of your subscription rates and how to (BLOCK CAPITAL SPLEASE) Name Position

VICTORIN PALACE CC. 01-828 4735-6, 61-834 13'7. Eres. 7.30. Met. Wed. and Sat Z.45. Social Mass. 2.65 on Dec 23. 20 6 Jan 1. ANNIE with Charles West. Group sales box affice 378 6061. CLURS WAREHOUSE, Donmar Theatre, Earlbaim Street, Covent Garden, Box Office 830 6608. ROYAL SHAKESPEARS COM-PANY, Seats available Ton't 7.30, Young 2.00 & 7.30, NO LIMITS TO LOVE or David Merce, LAST TWO WEEKS. All Seats \$2.50 Student £2.00 In advance from Aldwyth Box Office. $A_{\rm map}_{\rm h}$ Burn die ge ^{भवा}गानं स् WHITEHALI THEATRE 01-930 7765 CC.
Paul Reymond presents Floha RichMOND and a Seddul of Seaviset in WOTI
NO FYLAMAS. Evas. 0.30. Frt. Set.
8.15 and 8.30. Over 200 perts. GARGOYLE, 59 Date Street, Landier, Wi-NEW ENDTIC PLOORSHOW CLOSE ENCOUNTERS name to $a_{\rm teather}$ 11-3.30 am. Shows at midelphy and 1 am. Mon.-Fri. Closed Saturdays, 01-437-6463. 9901. $_{\rm dyl_{\rm Cyr}}_{\rm ext}|_{e_{\rm H}}$ $\ln m_{\rm b}/c_{\rm B}$ $\mathbf{M}_{\mathrm{Lip}_{\mathbf{p}_{0}}}|_{d}$ (1) व्यक्ति $\mu_{2211011} \text{ ad}$

1996 B . . .

CLASSIC 1. 2, 3. Haymarket (Piccasilly Circus Tube). 01-839 1527-11: Walt Disney's SNOW WHITE & THE SEVEN BWARPS (U.). Progs. 12.20 God Sun.) 2.40. 5.15. 7.295. 12.20 God Sun.) 2.40. S.15. 5.15. 8.10. 2: BREAKER MORANT IAL. Progs. 1.10 not Sun.) 3.00. 5.25. 8.10. 2: THE BIG RED DNE (AA in Dollar Stereo). Progs. 6-15. 8.20.

> CRUSING OC. 1.45 (pot 5un.), 5.20.
> -8.55. EVICTORS (X), 3.40. 7.05-Sertrant Taverto, in UNE SEMAINE DE VACANCES (AA). (English sub-uties). Pross. 2,00 (net Sun.), 4.05. 6,20. 8.40. ODEON HAYMARKET (930 2758-2771). Roy Scheider in a Bob Fosso him All THAT JAZZ (X). Sep. Pross dy 1.30 (not Sun.i, 4.40, 8.0. Law light show Fit & Sai 11,20 ODEON LEICESTER SCHARE (930 5111).
> In 70mmi THE BLUE LAGGON (AA).
> Sen. pross. div. Doors open 1.30. 4.30.
> 7.45; Pross start at 1.45, 5.00, 8.15.
> Late Night Show Fri & Sat Dra Open
> 11.15 pm prog starts at 11.45.

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Message

ODEON MARRIE ARCH W2 (723 2011-2)
DRESSED TO KLL (X), See, progs. Draopen did 1.15, 4.15, 7.20. Late Night
Show Fri & Sat. Ors open 10.45. Evening
programmes & werektness may be booked
in advance. No fate show booking.

ART GALLERIES

GANNY GALLERY, 43 Old Bond St., W1. 629 6176. Aptumn Exhibition of Old Master Paintings and Drawings. Unit! 12 Dec. Mon.-Fri. 9.50-S.30. Thurs. unit! 7. OWSE & DARBY: 19 Cork Street. NTHONY AMPES and PETER PROCIC. Yeekdays 10-8-30, Sats, 10-12-30. CRANE KALMAN GALLERY, 178, Brome-tor Rd., SW3, 584, 7565, 10-0 Mon-Et. 10-4 Sacs. STEFAN KNAPP, Recent Paintings, Until 1st Nov. FIELDBORNE GALLERIES, S.S. Queens Grove, NWO, Ses 3600, JESSE ZESSEER Fragments of Scripture. MARLEOROUGH, 6 Albemarie St., W1. R. S. KITAJ, Pasiets & Brawings, Units Nov. 7., Moj., Fri. 10-5.30, SR., 10-12.30.

Philipping All Paris 4.0 2409 July $t_{\rm Herm} \rangle_{\rm Herm}$ MAAS, The Victoriza Vasus, an exhibi-tion of palatings and watercolours by William Edward Frost, R.A. Modrefri, 10-5 at 15a Clifford Street, New Bood Street, Wi: Until 14 Nov december 1 MAIL GALLERIES, The Mell. 5971.
UNITED SOCIETY OF ARTISTS 500.
Analyersary Emilation. Mea.-FM. 10-5.
Sar. 10-1. Sun. 10-5. Until 479. Moradam. Sop. & Is the Bradenew Robert
Memorial Emilition of work of the Lata
Gertian Gaue. Moa.-Frf. until 449. Now.
Adm. Fres.

THE ARTS

Punk and P. G. Wodehouse

NIGEL ANDREWS

Caligula (X) Prince Charles London Film Festival
National Film Theatre
Wholly Moses (AA)
Warner West End and Locals Forty Guns Scala and Electric Cinema Club

Sir Henry of Rawlinson End is a scrap of British comic genius shot in messy black-and-white and starring an even messier Trever Howard — a landed whale threshing about amid the landed gentry—as the bihulous and raving squire of the title. If you never thought to see the day that P. G. Wode-house goes Punk, pass yourself the Sal Volatile: that hour has come. Once npon a time English npper-crust eccentricity was sketched in Arcadian watersketched in Arcadian watercolours—tweedy Lords bantered individuality and is certainly a non-sequiturs with ally-ass contander for the funniest film nepbews or imperious aunts.

Now the tradition has been caught in the machinery of the Overkill Era and the result is Overkill Era and the result is wondrous to see: half horren-dous, half hypnotic.

Last week gave us an American import, The Blues Brothers, which showed us the sledgehammer side of Punk: a long series of concussive hlows to the brain, eyes and ears. Sir Henry at Rawlinson End shows how Aesthetic Aggro-dancing a mad fandango on the graves of our artistic forebears — can actually be united with wit and invention. This film is magnificent. It lampoons the world of Wodehouse while never letting us doubt its devotion to that great comedy-chronicler of the Idle Rich. Vivian Stanshall wrote the poem on which the film is hased and which is used in voice-over snippets in the film: an empurpled hallad celebrating its hero's squirearchical battiness and couched in rococo language that makes Dylan Thomas seem eustere.

Sir Henry, as intimated above, is Trevor Howard: croaking ont commands and epigrams through foghorn voice and facial foliage. Around him cavort a hrace of batty servants (Denise Coffey as "Mrs. E" and J. G. Devlin incomparably seedy as hutler Scrotum), sundry seen-hetter-days neighbours, and Patrick Magee lending his sepulchral snarl to the corrupt priest Sodden, Sir Henry spends wateland of gurgling, gangling his old age as the last bastion of aristocratic aparchy: a sort of Feudal Id running amok over the English countryside. His take from Aunt Edna, Wirren swans through Feudal Id running amok over the English countryside. His daily round includes supervising his private PoW camp, shooting passing birds and gardeners. and the dignity, Peter O'Toole and dressing up in blackface and is interminably verbose as while seats last. (The festival is signs of grandeur, he promptly fully open to the public.) Not becomes the person you most to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to be missed are: Marco Belloc want to avoid at Egyptian particular to avoid at Egyptian

toutoo to tour the country lanas on his unicycle. Meanwhile there are many banquets, much ribaldry, more bizarrerie, and for the audience a constent sense of whetever-next amazement.

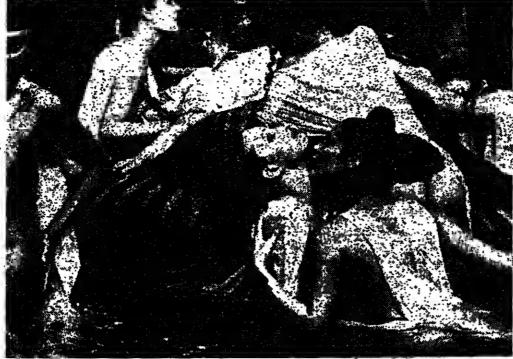
Impossible to do justice to the film's arrant and quite unarcb lunacy. One moment the dialogue bales out at us-as if from a tongue-twisting Restor-ation comedy—"Your wit" says Magee to his spiv henchman Harry Fowler, "would not threaten a shrew's brain for occopation." The next, director Steve Roherts is doling out de-licious visual asides like Sir Henry's reaction to a blackbird warbling gaily on a fence-post: he swots it off with a swift, un-

ceremonious backhand.

Much of the film is ill-photographed, in erratic monochrome, end the voice-dubbing is casual to say the least. But the movie

Caligula is a contender for the most fussed-over film of the year. Produced hy Bob fuscione, this gaga glimpse into Ancient Rome, complete with orgies, torture and a wrist-cutting Sir John Gielgud, opens for your pleasure at the Prince. for your pleasure at the Prince Charles. Shorn by the censor of several minutes, it's doubtless tamer fare than the U.S. release version, or the version I saw at the Berlin Film Festival back in February. (Mr. Guccione, wary no doubt of invidious comparisons, cancelled the Press preview of the British version: his stated reason in a letter sent to critics heing that "it would exceed the average journalist's ehility to remain objective and therefore fair in his comments.") Summoning up my full objec-

tivity and fairness in response to the uncut Caligua, I should say that it was the most clea-ginous and drivelling piece of work ever perpetrated in the cinema's long record of daft kirmishings with Ancient Hisory. Moments of giddy charm, nosily deriving from Malcolm McDowell's whirling dervish Cligula and the movie's Decadent Chic settings ("The Hell with historical realism, let's mike it look like Michelangelo-deligns a Sex Supermarket"), are few and far hetween in a waiteland of gurgling, gangling



Scene from 'Caligula'

Tiberius, and the above-cited Sir John Gielgud is required to walk eyes front between lines of naked youths and maidens hefore opening his veins in the bath. Well, at least one person connected with this production did the bonourable thing. Elacwhere, it's Roman history butchered to make a Guccione

Better news is the forthcoming London Film Festival. This two-week pile-up of the year's best international movies begins on November 13 and looks to be one of the richest LiFFa for years. Especially notable is the Veterans Revivel Sweepstake, in which the front-rumers are yourselves. Japan's Kurosawa with his new epic Kagemusha (it won the Grand Prix at Cannes and opens Making a the London festival) and France's Abel Gance with a showing of his reconstructed 1927-silent epic Napoleon. Five hours long, it shows at the Empire Leicester Square on Sunday, November 30: with a 43-piece orchestra and tickets at £7 each. . . Elsewhere, from a vast selec-

Vengeance Is Mine, Peter Vengennee is mine, Peter Greenaway's The Falls, Bill Forsyth's Gregory's Girl, Ali Ozgenturk's Hazal, Victor Nnunez's Gal Young Un and Mark Reichert's Union City. That short-list takes no

account of appetising-looking unknown quantities among the films—especially in a strong British section—nor of "Special Events" like Martin Scorese's guest lecture on Colour Photography. In addition look out for the new "Controversy" section, which rounds up cause celebre films past-and-present, and thrusts before us the kind of movies that Mr. Guccione thinks exceed our powers of objectivity. Go and decide for

Making a late and lunging leap onto the spoof-Biblical handwagon set rolling by Monty Python's Life of Brian, Wholly Moses gets an instant rupture. Deep in Pharaonic Egypt is Dudiey Meore: a humble Hehrew he, "Herschel" by name, who, happening to stray onto Mount happening in stray onto Mount Sinai when God is dispensing the tablets (the real Moses is tion of 90 plus feature films. I just around the corner), sur- black-and-white, this vintage can buy hurl eager hints your mises that he. Herschel, is the herse-opera by the director of way and urge you to book now. Lord's elect. Filled with deluwhile seats last. (The festival is signs of grandeur, he promptly Barbara Stanwyck cracks a fear-

warningly of sunny interval with scattered frogs.

Meanwhile Moses the true strides beedlessly into History, the Nile Valley fills up with a plague of guest stars—Dom DeLuise, Madeline Kahn, John Houseman, Richard Pryor (as the Pharaob)—and try-hard scenes of zany slapstick and anachronism are struck down in first infancy. The real disaster-disease, of course, is plagiarism Hollywood - style. Monty Python planted their flag on the Biblical hills, tamed the on the Biblical hills, tamed the territory and batted away the cries of "Blasphemy!" Wholly Moses follows feehly in their sandal-prints, hoasting neither the pioneering nerve nor the new-minting wit of their forebears. Two cheers for Dudley Moore who craphs up his nut-

Moore, who cranks up his put-upon Teddy Bear act to try and carry the proceedings, but a resounding thumbs-down for the

20th Century Fox have polished up for your pleasure a hrand r-w print of Samuel Fuller's spanking 1957 Western Forty Guns. In wide screen and

Guildhall School

BBC College Concert

by DOMINIC GILL

I remarked the other day that there are in London this season more, and livelier, concerts of new music than there its crises, financial or political, unswerving in its commitment to new music, both broadcast and live. The Thursday Invitation and Round House Concerts are no more; but their place is taken by a still better scheme, now making its third annual appearance, of public College Concerts performed (and re-corded for later broadcast) in the concert halls of the Guild-ball School and the RCM.

The first programme of the new series on Wednesdey continued the now established pattern of a premiere, a repeat of an un-familiar work. and a "modern ments, takes as its text satisfying (nor as transparently tory of every music theatre Thucydides' account of the honest) as Mr. Buller's—"a song group in the land.

Athenians' expedition against recital recollected in a night-Meloa in 416 BC. It is a riveting mare" ("nightmare" is always a story of naked power-politics useful composer's reference) of told with marvellous, dispassion-ate precision; and it was very hrave of Mr. Buller to seek to certs of new music than there have been for years. Lines seem to be converging: the SPNM, Park Lane Group, New Macnaghten concerts, MusicA at the ICA—and many others—all play a significant role in this small but vitally encouraging renascence. And of course there is the BBC: throughout the metal of the many others—ing pretty things in his comments of the metal of the each declamation, and a very spare and beautiful final page. But the words are not cunningly set, and not nearly often enough audible; without the score and

Mr. Buller had entirely suc-ceeded in his aim of providing en apt and effective musical context for his slory: in itself so much sharper, stronger, cleanerclassic." The orchestra was tha London Sinfonietta, and the Jacoh Druckman's Animua proconductor the young American posed another kind of journey Richard Pittman, John Buller's for voice and instruments The Mclion Debate, scored for entirely but one that was tanor, baritone and six instruneither as interesting nor as

Even as it was, I doubted thet

mare" ("nightmare" is always a useful composer's reference) of jumbled manners and tech-niques, 20 minutes long; alectric ments end voice; snatches of Chabrier and Liszt, atraight and distorted; snatches of exceeding cleverness—but little of genuine focus. real point.

If either work bad caught only

a tenth of the dramatic aense and focus of Harrison Birtwistla's Down by the Greenwood Side (the implied title of modarn classic," even after only 11 years, is surely right), then each would have made a powerful mark. I bad not heard really must get round to providing texts in their programmes) the performance could bave been a very frustrating experience indeed. return to-dark and sinuous, shot through with sudden shafts of lyrical warmth, at once funny and deeply sad, unmistakably the creation of the composer who was soon to write Punch much sharper, stronger, cleaner, cut than the rather urbene and delicata weh ha spins around it. tions from four members of the National Theatre, and by the Sinfonietta beautifully playedshould be taken into the reper-

St. John's, Smith Square

BBC/Sacher by RONALD CRICHTON

Paul Sacher's appearance with lar prestos separated by a the BBC Symphony Orchestra stately minuet. Instead of on Wednesday was not conon Wednesday was not concerned with any of the countless 20th century composers of whom he has been a discerning and enlightened patron. The distinguished Swiss musician gave an all-Haydn programmean early symphony and a late Mass. There was a good audience, which as usual in this church improved the acoustics. With the exception of one feature to he noted later, reverherance—and the clear-textured Haydn is especially vulnerable—was not too ohtrusive.

The "Philosopher" Symphony (No. 22) is one of the stranges of the long, wonderfully varied series he wrote for Eszterhaza, The slow movement, serious and even stern in cast, comes first, followed by two totally dissimianglais. But behind the seriousness (not solemnity) of the Adagio one senses the men's essential geniality. And since the cors anglais lend unexpectedly deep colour to the trio of the minuet, the symphony in performance has greater unity than description suggests.

The playing captured hoth the seriousness and the geniality. After the interval the "Creation" Mass (B flat, Novello 4), some 40 years later than the symphony, was done sturdily, with a vigorous contribution from the BBC Singers. From a front seat there seemed to be too little there seemed to he too little

The playing captured both

harmonies did not tangle, the sound in some curious way accumulated. Listeners further back and to the broedcast mey have had a different impressinn.

The "Creation" Mass is less

exceptional than some of its fellows, but that omounts to little more than saying that the hetter is the enemy of the good. There is a fine "Credo" in which Haydn despatches clause after clause with a concision the and sense of dramatic contrast that combine superh craftsmanship with total reverence. The "Benedictus," ushered in by hurnished horn phrases, is outstanding. The solo parts in Haydn's masses rarely amount to much in quantity hut they need good singing. Wednesday's dynamic comrast, and too strong quartet consisted of uniform loudness. This may Eiddwen Harrhy, Cynthia have been partly the fault of Buchan, Maldwyn Davies and the building. Though the Christopher Keyte.

Coliseum

La Bohème by MAX LOPPERT

veniences and irritations of M. Auvray's staging in Hubert Monloup's handsome designs, instead of being rubbed down by the natural sandstone process of opera house revival, were ex-posed with new and grating

The enclosure of the students' attic as a box with access visible and intresting, though as yet attic as a box with access visible it cannot quite hestride the to the audience means that much of what should he offstage end unseen (including, on this occasion, the passage of several stagehands) gets dragged into the action. A sub-cinematic kind of lighting, involving group "freezes." tampers with the high-spirited comedy of the second act; intermittently, the principals disappear altogether bebind the ill-disciplined riarai of M. Auvray's Left Bank. The excesses of supererogatory serving into the principal of the respective of the The excesses of supererogatory detail are confined to the first

Wexford Festival—2

mitted: Sally Burgess, one of the conpany's brightest young lights, undertakes her first Mimi; the performance is already incommonly attractive action wen music and play insist it nust. Miss Burgess's soprano, eautifully liquid and sensuous in low end middle registers, zoes hard end edgy address. Se alone awoke the evening to that "something more" that ifter countless en-

For Wednesday's English National Bohème (given in aid of the Royal National Institute for tha Deaf), the original producer, Jean-Claude Auvray, was hack to supervise the proceedings. The appreciable consequence was that all the inconveniences and irritations of M.

The impact made by the producer to its and candid appearance have not quite discovered the romance of Rudolph (I give the French names, though company usage wandered comically into Italien and back). Unusually for an operatic tenor, he responds better to camaraderic than to The impact made by three courtship. Musette is the new payers was accordingly handsome Penelope Mackay; a more rodest than their good lack of tonal firmness under-

before her hig number. From the 1977 cast Christian du Plessis, an unusually (but convincingly) restrained Marnel, remains a source of strength (Mr. du Plessis Italianate; haritone sounding notably at home in Puccini); likewise John Tomlinson's Colline (despite a tendency to hoom his Coat Song). James Lockhart, returning to this country after eight years as music director at Cassel, bas taken charge in the pit. Good, firm playing is a bonus alert pacing the product of exdu Plessis, an unusually (but pacing the product of ex-perience; now that Mr. Lock-hart has reminded us of his notwo acts (though not entirely more "that iter countless enarcady sufficient to prove a central point about the opere.

To have a sometime to the mose that the counters onestill requires from the opera.

John Treleven's strong tends that the structure of the should allow the music to linger and expand e good deal more than the did on Wednesday.

lined the operetta touch encouraged by the producer's gauntlet: of kneeling admirers

Paris theatre

by NICHOLAS POWELL

gloony one, leaving one critic ing?

pondering whether "la renirée théatrale" was not, artistically and socially, a thing of the past; to endow him with the social skills of a gentleman are played to be the social skills of a gentleman are played to endow him with the social skills of a gentleman are played to endow him with the social skills of a gentleman are played to the social skills of a gent

unmemorable collage of extracts of novels, newspeper The programme explains that the play takes us from Grenoble to Berlin to New York and in

The atmosphere is less full of Figaro slopes around like a

traditionalist of the company.

Costumes and set are chocolate box pretty, the danced interludes uninspired. Worse, Cochet turns his back on the satire of the original text, which is about as kind as bear baiting.

Whet was a cutty "company.

This dramates, in grates in the damage, and no other trace of personality comes through. Edwige Feuilleire is very Paris West interludes uninspired. Worse, and no other trace of personality comes through. Edwige Feuilleire is very Paris West Laurent gowns. Her hair we are told is styled by Philippe is about as kind as bear baiting.

CRES and her trace of personality comes through. Edwige Feuilleire is very Paris West interludes uninspired. Worse, and no other trace of personality comes through. Edwige Feuilleire is very Paris West interludes uninspired. Worse, Cochet turns his back on the sature of the original text, which is about as kind as bear baiting. Whet was a gutsy "comedie-bullet" for the court of Louis class audiences not to be trusted

The opening of this year's with Moliere's barsh look at the season in Paris has been a follies attendant on social climb-

The Theatre de la Ville the ideas of laughable, pitiful kicked off, daringly, with Les pretension on the one band and Connibates which was to have of exploitation on the other, are been the avant garde event of lost. What remains is comic star the autumn. Written and Jean le Poulain, who last year the autumn. Written and Jean le Poulain, who last year directed by a young director played a fine "Malade imagifrom Grenohle. Georges naire" in the role of the bour-lavaudant, Les Cannihales is an geois Monsier Jourdain. But given the poverty of prac-

tically all the supporting actors clippings and other plays, and the defusing of the satire, accompanied by snatches of le Poulain cen only go for eesy, Verdi, Wagner, Glenn Miller almost slapstick laughs. He and original punk compositions. plays the ambitious, destructive The programme explains thet side of Jourdain as mere foolishness, his greed as innocent huffoonery.

a lengthy interview, that Lavandant intends it to be "a become a sort of classic in bis marriage of Shakespeare. Chekov, Brecht and Peter Handke." It makes The Romans in Britain seem unassuming. The classics are faring warehouse set, with the letter slightly better. The recently reopened Theatre de Paris is specied. And when much presenting a Muriage de Figuro French theatre is apolit by overpresenting a Murioge de Figuro
French theatre is apolit by overwhich hrings Beaumarchais' acting — the Theatre de l'Est
cluttered text to life. The first
production of the play in Paris
it is a pleasant surprise to see
in 1784 created an uproar. Thet
director Guy Refore toning revolutionary spirit, understandably after two hundred damental images of impotence
years of literary respectability,
is dampened in Francoise main, with Hamm and Clov
Petit's modern version.

The distribution of the characters. The fundown the characters and the characters are proposed to the characters.

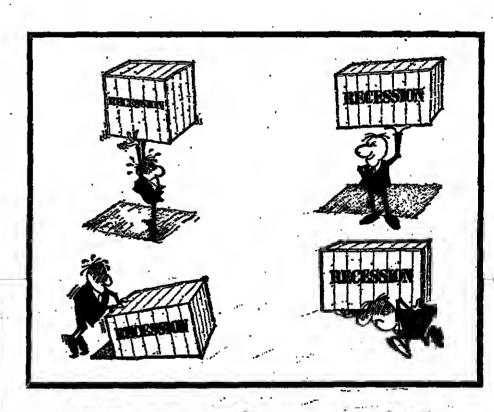
The fundown the characters are proposed to the cha

Boulevard theatre is what is the joyful fight for new liberty working best this year, it seems, than of belly-aching about bow unfair it all is. Figaro, after all, baye wheeled out Cher Menteur risks losing his flaoree momentarily to the Count because of entertainment based on the the latter's droit de cuissage. letters of George Bernard Instead of showing virile revolt. Shaw and Mrs. Campbell. The translation is by Jean Cocteau, the custumes by Yves St. Laurent and the characters

Figaro slopes around like a sulky shop steward saving it up for a branch meeting. For tunately the Countess and Suzanne—the real victims, after all—are better acted than their male partners.

The Comedie Francaise has disappointed nearly everybody with a timid look at Moliere's Le Bourgeois Gentilkomme, by Jean-Laurent Cochet, a die-hard traditionalist of the company.

Costumes and set are chocolate box pretty, the danced tradities is very Paris West CRES and her shoes by Mancini. As someone said during the



Wrestling with Recession

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The Financial Times published a series of articles between September 29 and October 17 looking at how 15 British companies are facing up to

These articles have now been reprinted as a booklet and are available at a cost of £2.50 (includes p & p).

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Villi, originally just a one-acter), twice revised and still a breathtakingly silly confection. It hoasts only one principal stylish enough to do full justice to the young composer: Terence Sharpe as Frank, the baritone final revision reded some of the proprise but or character. rival and eventual boon com-panion of the tenor hero. His crisp attack and bia verbal in-flections were finely judged and sonorous. Nico Boer's Edgar

which needed more tenderness and grace to blossom. larly spread our dotted-notes to Puccini's line. Magdalena and clumsy, though arly all measur Cononovici's Tigrana wes the substantial numbe reveal talent.

Wexford happlest in h hish mezzo the authentic Puccini, pre-Another brave Wexford happlest in h hish mezo the authentic Fuccin revival is Puccini's Edgar—his register, always little vague cociously individual.

The plot, as it stands second opera (the first was Le of pitch, and new offering the had more ambitious vi clean cutting tge that the beights of the part require. (Puccini first control the role the hazards, but is character of the writing reams unmis-takabla in wha remains). Roderick Kenny sang Roderick Kenny sang staunchly in a exiguous

Like his ladies—sufficiently identified by their names. Fidelia and Tigrava—he regu-The musical and tramatic

The plot, as it stands (Tigrana

subject to such temptations in any case, though Act 2 began sonorous. Nico Boer's Edgar staunchly in a caugate him into very peculiar breeches. maintelned a lusty ring, once past some indeterminate singing in the first act, and pleased ing in the first act, and pleased the bouse well enough, but he there were moment of pretty. with strange maidens helping. him into very peculiar breeches. Robin Stapleton did not secure Straussian expansivess, but decently idomatic, but he turned little sustained Italiate line. Puccini's big Requim set-piece into a lumpish rulse triste, and generally gave bis players and singers their heads where more scrupulous shaping and restraint larly spread our dotted-notes

The muxical and gamatic scraphious shaping and residual XIV is turned into a pale draw-interval, with mediocre actors which give point and precision transitions of the operare stark might better have shown the XIV is turned into a pale draw-interval, with mediocre actors to Buccini's line Mandalena and clumsy, though arily all measure of Puccini's developing ing room comedy. Are middle—the play would be nothing at

Edgar by DAVID MURRAY

had more ambitious villainy to her credit in the first draft, and her credit in the first draft, and her reduced malevolence leaves everyhody under-motivated), is impossible — "Tigrana bags Edgar to throw off his gloom and to return to their pursuit of lust," forsooth! Mr. Boer did not look remotely like a man which the took remotely like a man

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Friday October 31 1980

Facing up to an emergency

WHILE THE man in the driving who have suffered heavy seat, still seeing the lowest petrol prices of the year in the garage forecourt, may well feel that easy supplies are still one small compensation for a world ion, the firancial markets now think they know better. As the military stalemate between Iran and Iraq drags on, and positions are declared ahead of the OPEC price review in December, the prices of oil shares and in the spot market are now moving to discount the possibility of yet another sharp rise in the price of crude oll. What was a theoretical possi-bility at the start of the Middle East war must now be ranked as a real danger.

After the experiences of recent years, the possibility of an oil price rise put by the speculators at up to 20 per cent. or about half that in real terms. may look like a misfortune rather than a disaster; but in the present state of the world business cycle, the threat is a

Stable price

The present recession has mined action on the part of been cause largely by deter-Governments in consuming countries to ensure that real incomes are cut promptly in response to a deterioration in the terms of trade. The bope has been that because the demand pressures which would have prolonged the inflationary response, and the struggle to contain it, have thus been reduced, the recession would be a relatively mild and short one.

An oil shock, coming on top of a poor barvest in the main producing countries, could undermine this strategy and turn recession to slump-or compel Western governments to ease their anti-inflationary stance, with the grave long-term risks which that would imply. Thus in splte of current high stock levels and the Subdued demand for oil, the price threat emergency in terms of economic

The temptation for Western governments is to hope that the stances the consumers were moderates within OPEC, who prepared to take painful action well know that a deepening economic and financial crisis would threaten their own balance by acting on demand, strategic and investment the temptation to provoke such he argued that a large price if it is maintained too long in rise is not even a particularly changed circumstances, it can course the conflict will be ducers that they alone dictate resolved and the combatants, events.

material loss, will be eager to resume their own sales.

A resumption of Iraqi and Iranian shipments, in what would then be a still more depressed market, would soon present a solid front to win a stable real price for oil, would

However, it is clearly not easy for the Saudis to persuade other producers to forgo possible short-term gains, whatever the long-term implications. Other Gulf producers have joined the Saudis in raising output to fill part of the gap left on the supply side, but have coupled this with demands for surcharges, so far registed. The OPEC record does not encourage hopes of wise strategic

whether the consuming counaible emergency. The case for quietism has until now seemed persuastve. A display of sang imid, based on the possession of large stocks, has helped to maintain calm even in the spot market until very recently.

However, the line hetween measured calm and head-in-thesand can in some circumstances hecome a narrow one; and we may now be facing a aituation where the resolution of the moderates not to take damaging decisions in search of shortterm rewards could be bolstered by some display of resolution on the part of consumers.

Contingency policy

What might be helpful is not any immediate action which would indeed he absurd at a time when stocks are still so high as to pose problems for oil companies, hut some does pose the possibility of an public moves to agree on a policy for contingencies.

If it were clear that in threatening sbort-term circum-

to conserve high stocks, and maintain a favourable market interests as well as the interests action through the price mechan-of consumers, will somehow ism would be reduced. Quietism President Carter's action, in the hold the line. Certainly it can can help to preserve caim; but wake of the seizure of the U.S. rational response to a very simply strengthen the delusion Iran's assets in U.S. banks temporary situation. In due among the more militant pro-

No cause for despair

lem, according to a Brookings a reduction in productivity. This institution study published recently. "originates deep within the social system." The author suggested that "an optimistic disposition" was tends to increase with the size needed to suppose that a democratic political system could eliminate the problem. He went on to advise policymakers to "try to hold Britain's aspirations for consumption in line with what its system is willing

Cultural

The extraordinary variations in productivity between plants and companies in the same industry are illustrated in a study of productivity trends between 19a0 and 1973 in this week's Department of Employment Gazette. In the motor industry. for instance, there were ten plants where output was below £1,000 per man year. while at the opposite extreme

In iron and steel the three most productive plants bad average productivity more than 25 per cent bigher thao the three least productive plants. A similar pattern was found in most industries: a relatively small number of plants had levels of productivity much ing appears to be cootributing higher than the group of plants to improvements in efficiency

The Department of Employment study looked at the influence oo productivity of four factors—plant size, skill mix, degree of specialisation and trade union coverage. appears that in most industries achieved internationally coman increase in the number of petitive levels of efficiency sug-oparatives — as opposed to sests that the British produc-

of staff.

These findings are consistent with one of Brookings' conclu-sions, pointing to the poor performance of the older induatries, highly unionised and "stuck with a heritage of divisive tabour-management rela-tions." The Brookings study identified two other types of industries which were likely to decline in importance hecanse of low productivity—those re-quiring large managerial cadres or managers with a high level of with substantial scale econ-

The trouble with this kind of analysis is that it leads either to a sense of despair—we are stuck with our beritage and with the relative poverty that goes with it-or to totally impractical conclusions—that the future belongs to small nonunionised plants which are within the compass of not very well qualified managers.

A more constructive approach is to recognise the enormous potential for increasing productivity throughout British industry - a potential which can be unlocked through better management. The Government's ability to influence this process directly is limited, as the Brookings study pointed out, though policy is important; technical training is one of them. The profits squeeze which British manufacturers are now enduring appears to be cootributing and possibly to better relations between managers and employees. But whether the changes are permanent or not depends on the managers of in-dividual companies and plants. The fact that some of their UK It competitors have already

produce an exaggerated repeat of the recent over-supply in the market, and a heavy downward pressure on the price. The aim of the Saudi moderates, to reimpose unified pricing and so be lost.

to he a king," remarked Alexander the Great early on in his campaign against the Persians in 333 BC. when he set eyes on the first hatch of what would now be a decision-making. when be set eyes on the first In these circumstances it hatch of what would now be a seems reasonable to ask \$4m haul in gold booty ran-

sacked from the Mesopotamian tries could not show a little palaces of the lnckless Darius more activity in face of a pos-Something of Alexander's enthusiasm for the yellow metal seems to bave infected the present-day combatants at the mouth of the Tigris and

> The governments of Iran and Ireq have been using their oil wealth to become large scale hoarders of gold. What they do with the bullion is now a major factor dictating the price on the international gold market.

NEW YORK

GOLD TRAIL

TO BAGHDAD

And hoth sides have heen making clear in recent weeks

just like Alexander—that the size of their gold reserves contributes greatly to their ability to withstand the costs of war.

Both Iran and Iraq conduct
their gold operations in extreme secrecy-all the more so because some of their transactions are carried out with the help of central banks in iodustrialised countries with which Iran, at least, has frosty relations.

It is clear, bowever, that one factor has been crucially important in Increasing the appetite for gold of both Iran and Iraq as well as a number of other countries in the Middle embassy in Tehran last November, to freeze shout \$8bn of -including more than 50 tonnes of gold beld at the New York Federal Reserve Bank.

The blocking action bas had two main consequences. It has encouraged a number of countries-Irsn is only the main example — to diversify further their reserve boldings into nondollar currencles and gold. And it bas made these countries more eager to bold their assets in places deemed more secure from interference: curreocies have been moved to non-U.S.

David Marsh reports on the way in which the two sides in the current Gulf war are taking their gold home and the impact that President Carter's freeze on Iran's assets has had on the world gold markets centred in London and Zurich.

home from foreign depositaries.

Frozen

Customs statistics from the UK and Switzerland, the two centres of the international hullioo market, throw some light oo what has been going on. They show that since last autumn Iraq has transferred about 90 tonnes. of gold, worth \$1.8bn at present es, from Zurich to Baghdad. prices, from Zurich to Baghdad. Iran has brought home a total 46 tonnes from both centres. worth nearly \$1bn. A number of other oil exporting countries have also shifted large amounts of bullion from Zurich and London this year, while Iran may also have transferred gold hack to Tehran from France and Germany,

These are very large amounts: the Iranian and Iraql move-ments total about 20 per cent of Sooth Africa's annal production. Since it is most unlikely that either country has acquired

The movements reflect anxiety to be free of Western interference

gold for jewellery purposes or industrial use this year, the movements almost certainly represent transactions by the Iraniao and Irsqi central hanks. It is unclear, however, to what extent these shipments represent either new acquisitions or movements of old stocks of hullion previously stored in

In Iran's case, the movements bave largely reflected Tehran's market as a buyer. anxiety to transfer its existing traq is also known

banks, and gold bas been shifted gold reserves hack home free of possible westero interference. But bullion dealers believe that Bank Markazi, the Iranian central bank, has also been making fresh purchases this year as a means of diversifying reserves into channels that are, it bopes, both more profitable than paper currencies and safer from

BASLE

Iraq, where details of reserves have been regarded as a state secret since 1977, presents even more of an enigma. Part of the gold boldings repatriated from Switzerland undoubtedly represents old stocks brought home for security reasons. One Swiss hanker in close touch with Baghdad thinks some of the metal may have been stored with the Bank for International Settlements, the Basie-based central bankers bank, which acts as a depositary for shoot 1,500 tonoes of gold from many nations, worth about \$30bn at present prices, "God knows why they have brought the stuff hack home." he says. "It would

been buying new metal too. In support of the view that the shipmeots were prompted by other considerations than the U.S.-Iran freeze, the Swiss customs figures show that sizeable Iraql shipments from year. Switzerland started in On September last year. This was two months before the seizure nf the U.S. embassy hostages. The amounts transferred to Baghdad did increase substantially in the early months of 1980-and the spring was the time, according to Zurich dealers, when Irzq made an appearance lo the

LONDON

There bave been rumours in recent weeks of gold sales by finance the war. Senior bullion dealers

be safer here." large part of the selling pres-But the Iraqls clearly have sure from the Continent last

One gold trader in London the point that if Irao makes were in serious financial trouble, it would probably use its gold holdings as collateral to raise loans rather than to sell the metal outright. This type of however operatioo require Tehran to bold gold stocks outside the country as physical backing for any loan

made purchases of gold on the London market this year although huying by hoth countries seemed to dry up some time before the war put a stop to their oil exports.

BAGHDAD

Even more mystery surronods the use to which bullion reserves have been put since the fighting broke out last mouth. At first sight, it appears puzzling that the international gold price has fallen sharply when Middle East unrest would normally be expected to push From its recent peak of \$720

Gold Movements Since September 1979

Valued at \$500 per fine ounce)

Iran, Iraq hoard their gold

per ounce five weeks ago, in the early days of the Iraq-Iran conflict, the price fell to a low point of \$630 this week. It has since recovered somewhat to stand at more than \$640 yesterday. Paradoxically enough, the rise since mid-week largely reflects the ebbing of speculation that the American bostages in Iran would be released soon, which would have led to an easing of the international tensioo on which hullion buffs

either Iran or Iraq to defray the costs of fighting. As M. René Larre, the general manager of the BIS, points ont, it is at least "a hypothesis" that Iran, with much of its exchange reserves frozen by the U.S. blocking action, might need to sell gold to

London and Zurich do not in fact believe that any significant off-loading has taken place. A large part of the selling presmonth is now thought to reflect sales by the Russians, who chose the spurt in price caused by the nutbreak of the Middle East war to make large-scale deliveries to Zurich for the first time for a

-and it also begs the question York.

of whether Iran has any friends left to provide such assistance. Both Iran and Iraq have made clear that their gold stocks have more than economic significance. Asked how much gold Iran owns, Mr. Ali Reza Nobari, the governor of Bank Markari, answers only "a lot" and denies that any bas heen sold. Claiming that bis country bas about \$8bn in foreign currency unaffected hy the U.S. asset freeze (a figure which foreign hankers think is an optimistic overstatement) he maintained earlier this month:

We do not need to sell a drop gold to finance the war." Mr. Hassan Majahi, the gov ernor of the central bank of Iraq. is even more emphatic. Announcing in mid-October that his country's gold reserves bad

Gold stocks have more than economic significance

reached an all-time peak, re declared that Iraq had enough gold and foreign exchange reserves to endure another year's warfare.

Whatever the claudesine nature of the two countries' financial operations, it is likely that they share some of fleir secrets with at least one gonp of outsiders: the other abers of the international central hank circuit.

According to reserve figures drawn up by the International only an approximate picture of the boldings of Middle East couotries, Iran had about 120 tonnes of gold reserves at the time of the asset freize last November. (The latet DIF figures on Iran put its reserves. at 135 tonnes as of Tebruary, slightly more than the last pub-lished figure for Iraq in 1977.)

In common with normal international practice Iran's gold reserves were spread around the world of the time of the freeze with about 40 per cent of its published holdings on deposit with the

This gold, worth roughly \$1bn at present prices, has been. blocked since November last year-which helps explain the alacrity with which Iran has retrived gold beld elsewhere m the eWst since the asset freeze. The bulk of the 29 tonnes of .. Iranian gold brought back to Tehran this year from London is thought to have been lodged with the Bank of England, which, like most of the major central banks except the U.S. Fed, still maintains cordial links with Bank Markazi.

The Bank of England gold link with Tehran goes hack at least to 1942, when Britain sold about 26 tonnes of gold to the Iranian government to offset : war debts.

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In Address.

Mr. Nobari, an urbane guest at this year's central bankers': festival at the BIS'a 50th anniversary lunch in June, is; thought to have made at least. one visit to London since the asset freeze to discuss the affair with the Bank, His remark last December that the Bank of England was on Tehran's side caused some red faces at Threadneedly Street-it was reported on the same day that Mr. Cyrus. Vance, then U.S. Secretary of State, was in London seeking help with the blocking action.

International gold pundits will be watching carefully for signs of a quick withdrawal of Iranian gold from New York when and if the U.S. hostages : are freed. At least one Swiss banker appears to think that some of its blocked dollars into gold as soon as the asset freeze is lifted.

Meanwhile Bank Morkazi might like to take not of a historical emphasising that gold has never been a risk-free investment. When Alexander in 324 BC returned from his expedition to India-financed mainly by the golden plunder from Babylonia and Persepolis—he discovered that his treasurer. Harpalus, bad gone back to Athens with 5,000 talents in gold—underlining that atrong central bank Federal Reserve Bank of New vaults were just as essential 2,300 years ago as they are now.

BRITAIN'S productivity prob- clerical staff-is associated with

This is no doubt realistic advice but it is not easy to square with evidence showing that some British enterprises are well able to compete. in efficiency and product quality. with the best of the international competition. If some British managers are able to overcome the social and cultural obstacles which so depressed the Brookings observers why cannot others do

there were ten plants with output above £5,000 per man year.

at the opposite end of the productivity scale.

administrative, technical and tivity problem is not insoluble.

'Doctor' John

prescribes If British industry's major ailment is poor productivity, then it is about time we had a national centre for developing the remedies, says John Cousins.

So tonight, as chairman of the British Council of Productivity Associations, he is gathering 120 leading industrialists, trade unionists and civil servants at Henley Staff College to explore the possibilities.

Cousins, a former national secretary in the transport workers' union that his father Frank once led, complains that poor politics, not poor equipment or ideas" is bolding back improvements.

"There is a nlethora of institutions and interests conceroed with some aspect or another of the problem but no real focal

point." be tells me.
Britain is almost alooe among the industrial nations in having no national centre. "Japan has one that regularly sends people over here to study our worst practices to ensure they don't creep into their industry." be

Coualns, who is director of for Plessey, would personnel



John Cousins . . . a cure for

and trade unionists are seconded to join a full-time nucleus of staff, belping to identify prob-lems, find solutions and then take them back to the shop-

shouldn't cost more than £500,000 a year," be says. "Roughly what a 20-minute dispute can cost in any large company."

Changing gear

Taking time out from the helter-skelter atmosphere of the Australiao mining scene. Peter Briggs will take the wheel of relaxant bis 1902 Clement on Sunday for "My fa the sedately-paced London-to-Brighton veteran car run.

The Australian entrepreneur "I almost left it to late to get

here," be tells me. "It was all a free foray on the stock market I hear. Briggs would not bave soon to be exticat laboro ludo, been embarrassed. His high- Petropolis, "Petropolis has been flying deals in the outback and a disaster. It just dido't click," the more comfortable surroundings of the Australian stock mar- launched it-on the road to tors" for ideas. ket are reputed to have netted obliviou ss it turns out—three him a fortune of some £20m.

Briggs has a passion for veteran cars and keeps a collection of around 50 in the little town of York outside Perth. "I found the Clement in Tasmania," be says. "It is one of the very few with a wooden chassia and the restoration took a lot of time and effort. But It will go at 20 mpb with a tall wind."

booming and there's a lot of petrodollars. Compared with But the only deal he has ness looks relatively simple.

like to see a Britisb centre run actually struck has been to buy on the lines of the two in the an IS94 Peugeot—"prohably U.S. There, industrial managers the oldest in the world and in fantastic condition."

Iraq is also known to have

His naturally competitive urges will be kept in check for the Brighton run. Norman Fowler, Minister of Transport, who is driving a 1903 Daimler, is unlikely to find himself overtaken.

The game's up

Running a company is tough at the moment but persuading people to play at being whizz kids and oil ahelkhs is even harder. It seems the British public does not consider a business game, the ideal

"My family enjoyed Flutter." says a Spear's spokesman of his company's Stock Exchange game. But sales were poor in Anyone who fancies a risk-

bit of a rusb. I had to get the car can saunter down Regent Street. flown over-but I managed to where Hamley's is flogging off the last of the line at £4.80 a turned out to be cheaper than shipping it." Whatever the cost, Also at Hamley's is another.

> says Anthony Newfield who According to the blurb, Petropolis is a game for two to seveo players who, for £7.25, can experience the thrills and spills of

being an oil tyccoo. As in life,

the object of the game is to wax

oll wells. This is achieved with the aid of one board, 27 property con-Combining a little business cession cards, 25 telex cards, with bia leisure, he tells me: 7 player pieces, two dice, 34 "The resource business is derricks, 14 platforms and 390 Petropolis. running a real busi-

Testing times

Budding entrepreneurs search of capital may now find it in Swindon-if their ideas survive the stringent testing of a six-day "workshop."

Venture Founders, just established there to search out tomorrow's successful business men, demands endurance as well as intelligence from applicants for financial hacking Managing director Brian Haslett expects them to demonstrate and develop their ideas over the hurdles of his residential induction course. "If potential entrepreneurs cannot cope with these sessions, they are hetter off learning now than later," he tells me.

"By the eod of these sessions they should know if their ideas are worth pursuing," he says. they are worth a Venture invest-The Australian entrepreneur the 1950s, when the game was ment of £50,000 to £350,000.

The is chairman of four mining exploration—companies is sparking with enthusiasm about sparking with enthusiasm about the 1950s, when the game was ment of £50,000 to £350,000.

Haslett returned from the 20 years later, Flutter bas. U.S. recently to set up the company. a subsidiary of Venture flopped on its relaunch. Founders of Boston, with funds coming from institutional investors led by two Scottish groups, Murray Johnstone and Scottish American.

Some credit for attracting the company to Swindon must go to the town's industrial adviser. Douglas Smith. Bot Haslett clearly has an eya on the area's technology companies which he regards as "incuba-Smith hopes to henefit by

seeing the ideas turned into fiedgling hosinesses in Swindon itself. A number of "nursery units" will soon be available for small companies, offering overhead savings through commnnal services.

fat by cootrolling and operating Man of principle

"My wife says she would drop dead if I ever came home sober from a rugby match — but I'm not going to be bribed."

()bserver



The story of how not to make a cut

THIS IS a story about expenditure cuts. It is not dramatic in that it produced no Cabinet resignations and no great savings, either, But one suspects that it is rather more typical of the battles now going on in Whiteball than (say) the Treasury pitch for £500m off the defence budget.

The story goes back to 1966 when Mr. Anthony Crosland was Secretary of State for Education and it concerns the fees paid by overseas students for higher education in Britain. It is really about muddle, interdepartmental squabblea, shortterm decisions and lack of aoy central direction.

Until the mid-1960a overaeas students paid the same fees an home students. But the Treasury was looking for savings and one relatively painless way of find relatively painless way of finding a few millin pounds was to introduce an element of diacrimination. Mr. Croaland agreed to raise the overseas fee to £250 a year while the bome fee was set at £70. There was a certain amount of moral indigantion, yet a principle bad been established: when looking for marginal savings, put the pressure on the Department of Education and overseas Education and overseas atudents Only a minority will object to foreigners being made to pay more. (No-one should argue that an ungenerous approach to aid policy began with Mrs. Thatcher.)

There was also the argument that discriminating against overseas students made it look as if you were doing more for home atudents. If fewer overseas students came as a result of higher fees, there would be more room in the universities for the British. The idea of a permanently expanding British university population still held

PROPORTION OF OVERSEAS STUDENTS IN UK HIGHER EDUCATION.

Year	Total enrolment '090	Overseas '000	Oversess %
1971-72	464	26	5.6
1972-73	473	30	6.3
1973-74	481	34	7.1
1974-75 ·	487	40	8.2
1975-76	505	48	9.5
1976-77	516	55	. 10.7
1977-7g	510	57	11.1
1978-79	50g	58	11.4

Williams issued discussion pro-posals designed to make the admission of overseas students more restrictive. In 1976 another Labour Government went further. Mr. Fred Mulley, Education Secretary. then announced that the Government "cannot accept the continued rapid growth in the number of overseas students coming to our institutions. . . I am therefore

proposing to ask universities and local education authorities to aim at overseas student sion intakes in 1977-78 and subacquent years which will stabilise a b

further. While stressing the need to give priority to home students, the sought an annual saving of some £100m hy declaring thet " as from the start of the academic year 1980-81, all years behind the times, but for

education in Great Britain will be expected to pay a fee covering the full cost of tuition." The only reason why the issue does not figure in the present round of expenditure cuts is that there appears to be nothing left to cut.

Yet the problems bave not been resolved. Indeed, it is doubtful wbether they bave even been defined at government level. Mr. Crosland's original deci-

sion to raise the fees for overstudents bad only quent years which will stabilise total numbers at recent levels."

The Tories therefore had ample precedent for having another go at overseas students at public institutions in Britain in the 1960s was about 36,000. That was the year when they returned to effect the numbers. The peak figure for overseas students at public institutions in Britain in the 1960s was about 36,000. That was the year when they returned to effect the numbers. when they returned to office last before the fee differential was year. On June 12, 1979, they introduced. The numbers fell raised the overseas fee by 20 per back to around 31,000 by the cent in an attempt to achieve a end of the decade, but began saving of approximately £6m in to rise sharply egaln in the that financial year. In Nevember early 1970s. By 1976-77 there of the same year they went was a total of about 83,000.

University of Leicester, for overseas students instance. Mr. Mulley's overt attempt to account for only about 4 per control the numbers did not work, either. There is a cautioo cent. But at other institutions the proportion is considerably here in that all figures on the higher. At the University of subject tend to be two or three Manchester Institute of Science and Technology it is 34 per cent. ood. overseas atudents who begin 1977-78 the number of overseas. When it comes to postgraduate Thus in 1969 Mrs. Shirley courses of higher and further students receiving, nigher or atudies, overseas students con-

pubile

institutions was over

The general helief is

that it continued to rise rapidly

There have also been some

higher education has been virtu-

ally stagnant. From 1971-72 to

the end of the decade home enrolments rose by only 2.7 per cent. In the same period enrol-

ments by overseas students rose

by 123 per cent. As the table

shows, overseas students accounted for 11.4 per cent of students in Britain in 1978-79

as against 5.6 per cent aeven

years before. In the 1980s the

home student figure is likely to

The figure of 11.4 per cent is,

of course, an average. At the

changes in the birthrate.

dramatically, reflecting

in the next two years

enrolled.

The hreakdown by aubject groups is even more startling. In eogineering and technology 57 per cent of all postgraduates studying in Britain are overseas students. The figure for agriculture and forestry is 56 per cent and for medicine 44 per striking changes in the profile. Since the early 1970s the number of Britisb students in cent, and the latter figure would be much higher if there were more facilities.

A further breakdown by individual subject reveals that 70 per cent out of a total of 885 students on university-taught postgraduate economica courses are from overseaa. As for research courses in electrical engineering, overseas students account for 54 per cent out of

ing figures about country of origio. It is unlikely that anyone unacquainted with the subject could make an accurate guess about where the majority of overseaa students comes from Malaysia and Iran account for over one quarter of the total between them. Along with Nigeria. Hong Kong, the U.S., Greece and Sri Lanka, they

UK: Ford Motor pay negotia-

Mr. George Younger, Secre-

Mr. K. G. Addison, president

of the Chartered Insurance In-

stitute, addresses Chartered Institute of Loss Adjusters annual dinner, Royal Lancaster

Sir Peter Gadsden, Lord

dayor of London, presides at

Mansion House Justice Room,

GENERAL

tioos start.

Hotel, London,

Harrogate.

further education at British stitute 37 per cent of the total

Source: Committee of Vice-Chencellors and Principals.

figures in the top 20. tries most heavily represented the full cost scheme was Lest it be thought that this is and the level of their bilateral annunced that the money of peculiarly British issue, it trade with Britain. It is right that there should off sbould be said that other developed countries have been ex-

COUNTRIES WITH MORE THAN 1,000 PUBLIC

SECTOR STUDENTS IN THE UK

t52.000)

U.S. Malaysia

India

Nigeria

Kenya

Cyprus Sri Lanka

Pakistan 1,577

regard British courses io from paying full costa engineering and technology as worthwhile?

Nigeria 6,251

U.S. 3,415 Greece 3,325 Sri Lanka 2,353

4.5E5

Hong Kong

have been an argument about periencing a similar explosion fees because clearly many of in their overseas student population. A table compiled by Unesco for 1976 put the U.S., first with 203,000 overseas a distinction to be drawn students, France second with between selling education to with 96,000, Britain third with the highes bidder and providing 56,000, followed by West scholarships or grants to the Germany (54,000) and Cauada ahle poor. In the past, there Yet it is precisely hecause this foreign aid in the idea of edu-Is an international phenomenon cating overseas atudeots at that you would expect the Government to seek to develop a coberent policy.

British universities, even if the money came from the Department Education and not from total of 965.

For example, given the mental requestion and not from the ministry of Overseas Development about country of population, does Britain want British case a certain moral rigio. It is unlikely that its universities and polytechnics obligation. Britain built no to become increasingly a centre university in Cyprus, for for students from overseas? Is example, before independence it not alarming that so many on the grounds that the Cypriots overseas students—and so few could come here. Now eveo British — should apparently the Cypriots are not exempt

It is possible that a system could be devised whereby some Again, one wonders whether overseas students could come account for half. India, which the overseas students are com- at the market price, whereas

Others could be substdised There might also be quotas for particular countries. Not least, there mucht be a degree of international ennsultation about future student exchanges. Malaysia 12.856 Perhaps more British students could go abroad—to Europe as well as to the Third World— Iran 10,079 and more Enropeans could come here.

At the moment. nobody seems very clear what Iraq 2,163 is happening. The Department Singapore 1,718 of Education is insisting that if overseas students are in he subsidised, it is largely a matter for the Foreign Office and the foreign aid programme. used to be near the top of the ing from the right places. Cer- Foreign Office \$300 that it has list, is now down to 15th place. tainly there appears to be no money. The University No Common. Market country correlation between the counannunced that the numbers of overseas students would fail inability to pay that some university courses would have to be abandoned altogether. Now it looks as if the number: will hold up, through some institutions are still not infro-ducing full costs and there is

ment or for indexation. It seems to me that the ability used to be a strong element of to provide higher education for overseas students is a nation. asset. however intangible, we do not use it, other countries will take advantage. As an American Ambassador put it, there is a matter of the saxo-phones being at least as energetic as the trancoplannes. Yet we have no policy and we have no policy because the various departments concerned have not got together to work out a lung-term approach. That term cuts taken as a line of least resistance during a c

Malcolm Rutherford

Western Royal Hotel, Paddington, W. 3. Yorkgreen Investment, The Stock Exchange, EC

CITY OF LONDON LUNCH.

1.10 pm.

Boxing: World Lightweight Title Fight, Glasgow, between Jim Watt and Seao O'Grady

Billiards: World Professional

Letters to the Editor

Civil Servants' pay

From Mr. L. Brookes Sir.—Your self contradictory leader of Octoher 28 compares

hadly with the lucid commen-tary hy Philip Bassett on page 12 of the same issue. The best way to avoid 'inflationary explosions" when some inevitable catching up has to occur after a civil aervice pay freeze is to see that the Civil Service does not fall behind in the first place. The reports of the pay research uolt are an aid-and only an aidto that end. They provide the facts on which pay increases are negotiated. The staging of increases for the lower and middle grades-with the increases heing delayed by up to a year —and the arbitrary cut by half of the iocrease actually

the last round is clear evidence that PRU reports do not determine pay. It follows that what the Government bas decided to do is suppress the facts. If the facts had turned out badly for civil servants—as they did for senior scientists on the last round despite the Civil Service Commission report suggesting that market forces considerations pointed in the other direction—then we can be quite sure the Government would have welcomed them and given them niaximum publicity.

The unpalatable facts are not only about what civil service pay ought to he. As Philip Bassett points out, the reports show that increases in the private sector bave not heen at the sacrificial levels that you claim in your leeder. A furtber example of the failure of the Government's policy of monetary squeeze.

l have never seen Lord Soames looking unhappier than he looked on October 27 trying to explein that reports designed to see that civil servants do not get out of line must be sup-pressed in order to keep them in

Valuation and valuers

From Mr. G. Schwartz.

Sir. - Is valuation of any value? One could assume that every one of your readers had some possession "professionally valued," for sale or insurance

About 20 years ago I had, et the request of my insurance company, a piece of jewellery valued by a Bond Street jeweller named by the company. Over the years I dutifully paid the premium, which in recent years was unitaterally inflation-linked and consequently increased annually. Circumstances now force me to sell this item, and when I offered it to the same jeweller he offered me only twothirds of the 1960 value he bad determined! This implies that I had to pay an inflated premium during atl these years and also that the insurance company would have to pay an unreadistic amount in tha case of a loss.

The only winner is the valuer. who received his fee which is a percentage of the value he has determined; an incentive to make as high as possible. The only way to rectify this very unsatisfactory situation, is for the valuer to get a fee for work

done on items regardless of

room reports in your paper will salary" It is important to appre-know that even experienced clate that it will not normally auctioneers can be very wrong with their estimates. I suggest that insurance companies should act to alter this situation, which will save them a lot of money.

Basingview, Basingstoke.

A classic

From Mr. H. Shutt.

Sir, - Samuel Brittan is perfectly correct in his assertion (Lombard, October 20) that the Government's failure to issue index-linked debt - other than to elderly small savers — weakens the credibility of its and-inflationary commitment. Yet, as he appears to suspect himself, there is every reason to doubt wbether private-sector horrowers will be any more envious to insure against changes in the inflation rate than is the Government itself.

For if, as Mr. Brittan agrees Horsham, Sussex. with the Wilson committee. mein deterrent to investment is the low real rate of return," and if much of the recent increase in private borrowing is involuntary (ie, to fund operating deficits) it is hard to see why borrowers should be keen irrespective of the tax considerations - to offer potential lenders a higher (or any) real rate of return if at present they are able to get away from giving

them a low (or negative) one. It is true that indexed debt of interest charges in the event of a decline in the general level of inflation and interest rates. isations, since any lasting cur-tailment of inflation would tend to slow down or halt the erosioo in the real value of their total debt - as distinct from their interest liabilities - and thus

undermine their balance sbeets. Inded it is apparent that, so far from wishing to stop inflation, the vast majority of goveruments, industrial companies and financial institutions now have a vested interest in sustaining it, since only the resulting devalution of their debts will enable them to escape bankruptcy in the short to medium In the longer term it may be hoped that a revival of sustained real economic growth will make it possible to restore the real rate of return on capital. Meanwhile inflation representa thet only mechanism by which a world-wide financial

crash on a scale far exceeding that of 1929-31 can be avterted. On the other hand, if it is true — to quote Samuel Brittan again ("Failing Infletion Has Many Foes." October 9) - "It has been rising world inflation which has brought about recession," then we are in a classic Catch-22 dilemma, slnce, in effect, the only means of preventing the disease (recession) from becoming fatal is to sustain its underlying cause (in-flation) and thereby rule out the sibility of a cure. H. D. Shutt. The Grange, Hillside.

Horsham, West Sussex. Cocoon against

retirement From Mr. R. Mountjoy
Sir,—I should like to make
two points concerning Eric
Short's article "A cocoon against
retirement" (October 22).

ciste that it will not normally allow benefits in kind to be taken into account as pensionable salary unless those benefits are assessed to income tax under Schedule E (and even then they will normally be regarded as fluctuating emoluments to he averaged over three years). I do not feel that this was made sufficiently clear in the article.

No mention was made of the effect on the finances of the pension scheme if amounts not previously regarded as pensionable salary are belatedly taken into account. Where such a change is made in the latter part of the employee's working life, it is unlikely that the extra contributions will cover the cost of the additional benefits. This aspect of the problem from the viewpoint of the trustees of the pension scheme was not mentioned and perbaps it is the reason why "others were more wary.

R. W. Mountjoy. 20 Irwin Drive,

The banks and money

From Miss C. Macdonald Sir,-In response to L. A. Jackson (October 22), 1 agrea with bim that the velocity of circulation of money can be an inflationary factor; I disagree with him when he saya that it would be outside the control of would prove less costly in terms a monetary commission. It mission periodically to correct any such inflationary effects Yet that possibility is precisely hy reducing the volume of what alarms many debtor organ-monetary issue so as to mainmonetary issue so as to main-tain a stable price index.

I have no quarrel with his example of an inter-bank transaction in the sterling market-but inter-bank transfers, whether domestic or international, are totally irrelevant to the question of monetary issue. He has ohviously failed to recognise the fact that the sterling itself came into existence as a hank creation.

Quite simply, money cannot originate anywhere outside the banking system and banks never issue new money except as a debt at interest (lent to Government, industry or indivi-duala) which is a charge on the productive life of the community.

The false idea is encouraged by banks that borrowing at interest can raise the standard of living. In fact, this will inevitably basten the epproach of a great crisis and financial collapse when buge numbers of wege and salary earners will find themselves unable to meet their obligations, having borrowed much from banks and bank-owned bire purchase firms.

There is no reason why the financial expertise of the banks abould not be fully utilised, allowing them to play an active and useful role under a new dispensation. If the function of monetary issue is returned the State and the bankers are deprived of the profits of issue and the interest they now collect on ell the means of exchange in circulation, they can still perform the very necessary functions of private agents of the central bank or office of issue. They can also act as agents to those who have savings they wish to invest, and reinvest as the repayments come in Bankers

can still render technical

one on items regardless of When considering the "In-services such as managing laud Revenue's very relaxed current accounts, which will be Thosa who follow the sale-interpretation of pensionable true deposits of money earned and possessed, not borrowed, handling transfers. cash cheques, hills of lading and hills of exchange etc., all for a reasonable fee. They will be able to lend such moneys as they accumulate ont of profits and earn interest on them. In fairness, it must be said

that bankers are in a sense prisoners of their own inberited system with Its inbuilt inflation factor-that is, that the community can never pay hack loans (created) plus interest (not created) without recourse to more borrowing, ad infinitum. If on the other hand all hank loans were to he repaid and no new ones issued, there would remain almost no money in circulation! In short, no lending-no money and all husiness ceases. Surely it would be a kindness to rescue them from their predicament!

As things stand, however, the supply of horrowers is guaranteed; in addition to inflation, a huge income-tax and company tax also assure that the community will be ready to borrow, while an astronomical National Deht (interest £1m per bour of every day in the year) makes certain that the State also will remain a faithful customer of the usurers.

This is the situation which must he remedied by the pro-vision of an adequate Stateissued debt-free money supply which will make credit no longer the ruling power of all our hosiness activity. Clare Macdonald. 70 Courtland Avenue,

Cranbrook. Ilford, Essex.

Islington's problems

From Mr. J. Marshall MEP

Sir,—As Islington is within my Euro constituency I was naturally interested in your article (October 28). I should like to say that in my view it was lacking in the halance one normally associates with

Islington's problems are not

so much the result of the last housing investment programme's allocation but rather of "vaulting amhition which doth o'er-reach itself." The Council The Council acquired many properties from the private sector in the hope that it would at some stage modernise them. If ordinary individuals had been allowed to do this work they would bave done so more speedily and certainly more cheaply. Your correspondent should beve analysed the cost of Islington's policy and compared it with what an individual would spend. He should also have pointed out that there have been substantial detays in improving purchased propert delays which preceded the last bousing investment programme allocation.

The irresponsibility of beavy spending bas been underlined by a recent official report. This indicated that high rates were deterring industry. Industry and commerce are mobile and are not willing to pay excessive rates. If the Commisars of the Left gain increasing influence then there is a real risk of many more firms becoming refugees from socialism. No one can relish such a situation. It is up to Islington to review its policies.

John L. Marshall

Today's Events

the Year," Polytechnic of South Bank, London Road, SE1. reading. Operseas: Secood and last day COMPANY RESULTS tary for Scotland, speaks at Scottish Council (Development of Fioancial Times conference Australia—Attractions for and lodustry) Forum, Aviemore.

Future Investment, Melbourne."
PARLIAMENTARY BUSINESS House of Commons: Resumed debate on the Motion on References In Court to Official References in Court to Official borough Property Holdings, Report of Debates and Reports COMPANY MEETINGS of Committees. Followed by a Motton relating to Recommenda-tion 47 of the First Report from the Select Committee on Procedure, Sessions 1977-78 on the

Second and last day of Health Visitors Cooference, Royal Hail, publication of Reports of Evidence of Select Committees.

ways (Road Humps) Bill, third

Final dividends: Audio Fidelity. Herman Smith. Linread. Wood Hall Trust, Interim dividends: H. Goldman Group. B. aod t. Nathan. Wettero Brothers. Interim figures: Marl-

COMPANY MEETINGS

Amalgamated Estates, 42 Portman Square, W., 12. GT Japao Investment Trust. Park House, 12. Finchury Circus, EC, 12. 16 Finshury Circus, EC, 12, Christopher Moran, Savoy Hotel, Strand, WC, 12.15. Ragian Property Trust, Great Eastern Hotel, Liverpool Street, EC, 11. Prioce Charles presents House of Lords: Civil Avia- Hotel, Liverpool Street, EC, 11. Billiards: World Prioce award to "Girl Technician of tion Bill, third reading. High- Whitworth Electric, Great Champlooship, Rughy,

CITY OF LONDON LUNCH-TIME MUSIC
Guildhall School of Music and Drama, Barbicao, EC2. Connie Payton, soprano, and Hilary Calne, piano, 1.10 pm. Singers' Workshop, St. Mary Woolnoth, Lombard Street, EC3,

tshow starts at midolght). Teants: Wightman Cup, Great Britain v U.S., Royal Albert Hall,

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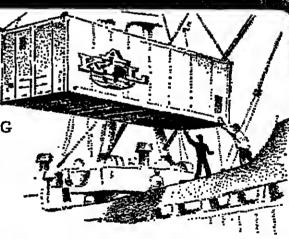
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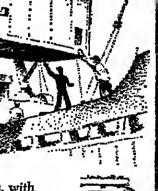
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WE GUARANTEE COST EFFECTIVENESS



















Aberdeen Trust

Armour Trust

Bambers Stores

Bids and Deak

Boosey & Hawkes

Border Breweries

Glaxo Holdings

Guinness Peat

Hepworth (J.)

ackson Group

lookinsons Hidgs

Sercantile & Gen Mining News

Oil and Gas News Press (Witilam)

Weeks Associates

Simpson (S.)

Canadian & Foreign

Coats Patons margins fall

Coats Patons textile and garments group, particularly in the UK, were difficult in the first six months of 1980 and there is currently little sign of improvement, the directors say. Turnover for the balf year to June 30, was marginally higher at £345.5m against £336.05m but pre-tax profits were down from £16.3n £31.05m to £26.68m. Stated cent. earnings per share are 4.8p The against 6.1p.

The interim dividend is being maintained at 1.4p per share— in 1979, a total of 4p was paid from pre-tax profits of £63.53m. Exchange movements reduced trading profits by £7.3m or 22 per cent, but better trading results in North America and some European countries confined the drop to £2.4m or 7 per cent. The movement in the sterling exchange rate will be the main factor determining the results for the current year, World sales volume was virtually unchanged and price increases more than offact the adverse effect on sales value of the strengthening of sterling. Unfortunately, the price increases were insufficient to cover increased costs and trading

in high tax countries and a provision for elawback of stock relief which may not be risen from 38 per cent to 42 per cent and consequently profits earned for ordinary holders was £12.3m against £16.3m, a reduction of 24 per

the policy of rationalisation and disposal of surplus assets and taken together with a more efficient use of working capital, it is expected that the net borrowing position at the year-end will be similar to that at

Teremori rate logi		
	First	Half
•	1980	197
	£000s	2000
Turnover	345,512	
Dogreciation	7,285	
Trading profit	30,188	32 6
Interest and other	50, 100	ш,и
charges	6,575	4,4
Invest. & other income	1.673	1.8
Profit before tax	26,678	31.0
Yax	11,178	
Net profit	16,500	19,2
Investment grants	164	1
Minorities	2.225	2,5
Extraordin, losses	1.085	. 6
Pref. dividanda	24	
Earned for ordinary	12.330	16.2
Ord., dividends	3,874	4,10
Retained	a. 456	12,0
Lex Back 1	Page	



Hopkinsons loss in first six months

the balf year to August 1, 1980, subsidiary companies, Blake-compared with profits of borough and Bryan Donkin must fars, 000 in the same period last year. However, the directors to cancel the resulting shift into maintaining the interim dividend at 1.5p per share. They explain that an indus-ial dispute at Hopkrosons Limited resulted in that company working for only one third of the available time

Other major operating units performed creditably. Order books remain generally satisbut short-term orders are -scarce.

Turnover for the first half amounted to £18.96m compared No tax is payable this time against £412,000 in the first half

The Interim figures from Hopkinsons Holdings are beavily is also beld, the depressed by the loss of 15 nearly 15 per cent.

a loss of over £1m. Despite a lack of demand for standard valves, produced in all three factories on relatively, short order-cycles, orders for more sophisticated products are satisfactory. It is for that reason that the interim dividend has been maintained. Since last year's results were held down by the writing off obsolete atock, these figures may be even more gloomy than they look. The trend to deepening current cost losses is still there when the effects of disruption are left out. The shares moved down 1p to 55p, on which the market capitalisation is £6.2m, only a quarter of the book assets last February. If the final dividend

Boosey and Hawkes maintains interim despite profits dive

TAXABLE PROFITS of Boosey and Hawkes tumbled from £391,000 to £60,000 for the first half of 1980, but the group, whose interests are in music publishing, · musical instrument making and general engineering, is holding its interim dividend at

1.9p net per 25p share.
Trading profits fell from £451,000 to £312,000, but the directors say these are improving to do so next year.

totalling 5.667p were paid.
Tax for bte first half took
£35,000 (£120,000) and after
extraordinary debits up from
£78,000 to £190,000 and minorities,

there was a turnround from attributable profits of £189,000 to losses of £162,000. The interim (£78,000) and terminal costs of very poor first half, and that there are those copyrights,

£115,000 this time.
Difficult trading, especially in musical instruments, and costs incurred in the course of upgrading manufacturing operations and terminating certain others, confributed to the loss, the directors state.
Other factors were a poor per formance in the U.S. and high

Interest charges.
Turnover for the period in creased by over £1m to £9.15m. The pre-tax result was struck after a sharp rise in interest payable, less interest and dividends receivable, to £252,000 (000,000)

In May, the directors reported that the group's strengths bad continued unimpaired in the first

The lack of segmented informa-tion makes Boosey and Hawkes'

new chief executive Michael Boxford is chopping away at dead wood. The losses of the now-closed organ business are a mystery. Pop music, when last sighted in 1978, was losing £100,000 annually. It would be most particularly useful to know how much profits the copyrights valued in the last balance sheet at £1 produce, compared to the other £3.2m of capital employed. The bottom of Boosey's cycle has been predicted before. This time round, optimism may be stimulated by the board's decision to maintain the dividend, and the cautiously bullish statement. The shares nonetheless slipped 2p to close at 120p, yielding almost 7 per rent on the last 12 months' payments. The price probably owes more to asset backing than trading performed. formance. With properties at a 1977 valuation, net assets per share are around £3. A revalua-tion is scheduled for December dividend again absorbs £81,000. Interim statement rather opaque. Share are around £3. A revalua-Extraordinary items comprised The two things emerging most lion is scheduled for December exchange losses of £75,000 clearly are that it has been a this year. And then, of course,

J. Hepworth drops £0.88m after sharp interest rise

six months and profits, of £5.25m and £0.39m IN THE second six months and pronts, or zo zo an accordance and August 31, 1980, pre-tax respectively. have been concepts of L. Henworth and Son, solidated from that date and are profits of J. Hepworth and Son, multiple tailors, fell further included in the year's figures. behind leaving the full-year Tax charge for the year was figure f0.88m lower at 25.7m, up from £1.94m to £2.86m result. on increased turnover, excluding VAT, of £61.92m, against £51.33m. The result was struck after a near £1m jump in

Mid-year taxable profits bad dropped from £3.75m to £3.51m and the second-balf result reflects a worsening of trading conditions which remain difficult.

On May 3, the group acquired W. and E. Turner whose sales

ing from the absence of stock extraordinary credits of £48,000 (£518,000), attributable profits declined from £5.16m to £2.9m.

Earnings per 10p share, ex-chuding extraordinary items. were down from 11.58p to 6.68p, but the dividend total is held at 3.79p net with a final of 3p. Payments absorb £1.69m

Extraordinary items include

the year totaling £1.35m, against 1979 revaluations, less # provision of £1.13m made in respect of factory closure costs. Both amounts are after tax.

Properties have been valued in accordance with the company's "roiling" revaluaf6.8m over the 1979 valuation has been taken directly to

Goodwill on the acquisition of W. and E. Turner has also been taken directly in reserves.

Mr. W. R. Henry, chairman of Coats Patons . . . the policy of rationalisation and disposal of surplus assets is still continuing

LOSSES of £94,000 are reported by Hopkinsons Holdings, valves Ltd where there was an and boiler mountings maker, for the balf year to August 1, 1980, subsidiary companies, Blake-

is also beld, the sbares yield

in the second six months and, at present, seem likely to continue In the last full year, profits, before tax, dropped to £613,000 (£1.16m), from which dividends

Mercantile and General Re- capital to about U.S.\$22.5m.

Wm. Press falls to £3.2m at mid-year but holds dividend

of 1980, taxable profits of mechanical engineering con-tractor: William Press and Son fell back from £4.73m to £3.21m.

However, the directors say prospects of the group are encouraging as a result of the recently widely-reported promise of increased activity in energy and related industries in which the group is well placed to participate.

They say that orders of £40m amounced at the AGM and recent contracts awarded are continuing to keep the group's turnover up to the previous year's levels, although some sections are suffering from a lower workload due to declining industrial activity and the strength of sterling.
In common with many other

concerns, the group is discon-tinuing certain of its activities and reorganising other parts of its business due to the recession. This action is estimated to

ordinary item in the annual accounts. At mid-year £2\$1.000 had been incurred which was not a charge in arriving at the above figure, the directors state. They are meintaining the Interior attack.

They are meintaining the Interior dividend at 0.6p net—last year a total of 1.2p was paid from taxable profits £6.63m (£12.31m).

The profit for the six months was struck after including a £387,000 surplus which arose from the cancellation during the

period of part of loan stocks. Tax took £1.34m (£1.18m) leaving stated earnings per 5p share of 1.51p, compared with 2.84p.
Attributable profit dropped from £3.4m to £1.82m after minorities of £52.000 (£148,000). The directors state that the position with regard to the alleged tax offences, claims and ancillary coats remains the same as reported in the accounts for the year ended December 31,

After William Press severe second half shortfall in 1979, the market has been under an

illusiona as to the difficulties in securing an adequate abort term workload at anything resembling acceptable margins. The group's response to the dearth of such orders, which manifested itself so suddenly last year, has been to rationalise its mainstream contractions activities. particularly to rationalise its mainstream con-tracting activities, particularly in the south, at an estimated net-below the line cost of £2.2m. Longer term, the order book is much healthier and the group is expecting a significant rise in energy-related contracts in the second half next year. Losses at Mattle and Brooking and Worley second half next year. Losses at Metal and Pipeline and Worley are now said to be under control and the level of first balf profits may be repeated where the prospective p/e is 11.9 at 301p; np 11p yesterday. The historic yield is just 5.7 per cent. That may, in part, be defended by strong cash balances and the recovery possibilities implicit in the orange's traditionally high. the group's traditionally high exposure to the energy indus-tries. In the background, of Newarthill has just course, Newarthill has just added to its trade investment

M & G Reinsurance cash boost

Insurance Company, the reinsurance company owned by Mand G America, said that the further U.S.\$10m into its U.S. subsidiary, Mercantile and General Reinsurance Company of America, bringing the total market But it bad not been made in anticipation of any large increases in premium yolume over the short term.

M and G had a premium income of £221m in 1979 of which the U.S. contributed 9.4 per cent.

Total funds at the end of last year amounted to £431m.

in anticipation of any large-increases in premium volume

-.CON

Covere mast

Ayearot

Salient points from the Annual Statement by Sir Austin Bide, Chairman and Chief Executive.

Group sales for the year to 30th June, 1980, excluding wholesaling, were £434m compared with £397m. Sales in the UK at £106.6m were 17.8% higher and sales overseas at £327.5m were £21m higher.

The Group trading profit was £65.7m and I estimate that foreign exchange movements reduced this figure by £11m and the sterling value of overseas sales by £20m.

The turnover of Vestric Limited. our UK wholesaling subsidiary, was £207.7m, an increase of 29% over last year.

The proposed final ordinary dividend of 6p per share makes a total dividend for the year of 9.5p compared with 8p for 1978/79.

Manufacturing in the UK and Overseas Expanding and developing our manufacturing facilities

was widespread - and represented further significant

Trading Worldwide

Exports have gone ahead and sales volume has grown in almost all markets. Both our latest injectable cephalosporin antibiotic and our new anti-hypertensive played an increasing part in this growth which we expect to continue.

We continue to place great emphasis on the expansion of our business in the world's two largest markets for pharmaceuticals—the USA and Japan.

Research and Development

The present annual rate of spending is about £38m. A substantial number of new entities with interesting properties has been identified and a selection taken into the development programme.

Ranitidine, our newanti-ulcer compound, continues to perform well in extensive clinical trials.

Staff and Productivity

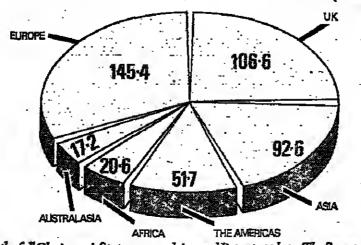
That this Group has been able to record a substantial profit for the year under review is a reflection of the endeavours of its nearly 30,000 staff at all levels but ensuring progress becomes ever more difficult.

One element of the business about which we can and must do more is to improve productivity in all areas. We are already making progress but further action is vital and will be taken during the ensuing months.

The Future

I am glad of this opportunity to express again your Board's confidence that the seeds sown by continuing to invest in the business as heavily as we sensibly can will yield a good harvest.

SALES OF GLAXO PRODUCTS WORLDWIDE (£m's)



For the full Chairman's Statement and Annual Report apply to: The Secretary (AR), Glaxo Holdings Ltd., Clarges House, 6-12 Clarges Street, London W1Y 8DH.

Guinness **Peat rules** on nominees

AN extraordinary general meetyesterday approved a motion giving the board absolute dis-cretion to disenfranchise shareholders who fail to supply information required of them under Section 27 of the Com-panies Act 1976. The section provides for com-panies to discover the bene-

ficiaries of shareboldings built up under nominee names.

The extraordinary, meeting also approved a new share option scheme for group employees, and a raising of the ceiling on total directors' remuneration from £15,080 to £40,000.

Berec chief reaffirms forecast

last week. He noted, bowever, that while current cost accounting was still in its infancy a "CCA loss would have to be taken into account for future dividend

Following the meeting, Berec's share price began to move down. At one stage yesterday it had dropped 8p to 824p but it closed only 4p down at 864p.

omitted

hy West Bromwich Spring Co., for the half year to June 30, 1980 on turnover of £2.18m against £2.07m. No Interim dividend is being declared—last year, an interim of 0.29p was followed by a 1.01p final when ore-tax profits were

Tax charge in the first balf is

	£114,000	(£143,000	<u>) </u>	
	SPAIN	-	0	
	October 30 Benco Silbao Benco Central Sanco Exterior		Prico 252 281 221	.+ or
	Banco Hispano Banco Ind. Ca Banco Madrid Banco Santano Banco Urguijo	L	241 125 141 282 139	' +3
	Sanco Vizcaya Sanco Zaragoz Oragedos		280 220 109	-î -î
İ	Espanola Zinc		62 63.7 31.2	-03 -0.8
1	Hidtola		68 65	-G.2
		************	.114 85 102 61.5	-2
	Total onice		G1.3	

DIVIDENDS ANNOUNCED

	Current payment	Date of spayment	Corre- conding div.	Total for year	Total last year
Aberdeen Trust	3.7	Dec. 20	3.1	5.7	4.45
Armour Trust		4	0.1	0.13	0.1
Bambers Storesint.		Dec. 20	0.57*	 .	1.33*
Boosey & Hawkesint.	1.9	Dec. 12	1.9		5,65
Border Breweriesint.		Jan. 5	1.2	_	4.3
Can: & Fnreign Inv. int.		Dec. 8	1.75	_	5.1
Coats Patonsint.		Dec. 31	1.4	_	4 .
J. Hepworth	3	_	3	3.79	3.79
Hopkinsonsint.		Dec. 12	1.5		5.65
Lunnva (Ceylon)int.	6	Dec. 12	5		17
William Pressint.		Dec. 29	0.6		1.2
S. Simpson	2.95		2.95	4.26	4.26
Weeks Associates int.	nil		0.7	_	1.61
W. Bromwich Spring int.	nil	_	0.29		1.3

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. increased by rights and/or acquisition issues.

COLIN STAPLETON Ready battery company, told a group of institutions on Tuesday that full year profits were expected to be "hroadly aimilar to those for last year. He made the same forecast when the interim figures were published

W. Bromwich spring interim

A fall in pre-tax profits from £275,000 to £220,000 is reported

* Profit before tax increased to £1,023,359 * Earnings per share before tax increased

* Dividend increased to 20.0%. * Cover for dividend 3.2 times.

to 9.2p from 7.8p.

Nett assets increased to 41.1p from 36.5p per share.

* Short term deposits increased to £1.8mill from £1mill.



Burns-Anderson Limited Industrial Holding Group

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M. J. H. Nightingale	& Co. Limited
7/28 Lovar Lane London EC3R SEB	Telephone 01-621-1212
1979-80	

1970 en	and the property of
39 Airsprung 50 21 Armitoge and Rhodes 177 92's Bardon Hill 160 88 County Cara 10.7° ps 101 63 Oeborah Ord 126 88 Frank Horaell 129 65 Fraderick Parker 156 79 George Alair 88 45 Jackson Group 153 103 James Burrough 153 103 James Burrough 153 103 James Burrough 154 70 Torday 155 Torday 156 70 Torday 157 Torday 158 10 Torday 159 10 Torday 150 10 Torday	5 - 222 - 25

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Carlo & Go. Ca

ICI Land Secs, Marks & Sp. Marks & Sp. Marks & Sp. Shell Shell Totals

Glaxo aiming to expine important U.S. market In Europe the new far at Verona for manufacture the energy front, the chairman of benefits of the continuing investment programme. The energy front, the continuing investment programme.

والمراجعة والمتعارض والمتعارض

Steps have been taken, particularly in the medical development and marketing division to move forward on the registration of Glaxo products and their introduction to the market as fast as

possible.
At present, the group is spending more than it can earn and this stage will last for a further year or more. But the expense and effort will undoubtedly prove to be a sound investment and in due course will change the dimensions of the group, Sir

on manufacture in the UK and overseas, the chairman says it has been possible to hold the increase in UK manufacturing costs below that of UK inflation. This is due to improved productivity and also the technical

DESPITE a marginal increase

in turnover from £3.54m to £3.98m, excluding VAT, depart-

ment store operator Jenners, Princes Street, Edinburgh, in-

curred a pre-tax loss of £30,000 in the balf year to July 31, 1980, compared with a profit of £109,000.

However, the directors state thet while it is not easy to pre-dict the outcome for the year as

e whole, provided the increase in sales can be maintained they

pelieve the final results may not

be too disappointing in all the

LONDON TRADED

Vol. Closing

72

27 25 10

71

35

50 28

53 33

15

146

15

1

25 10 172

15 21 68 17

February

21

131₂

1612

Jenners incurs £30,000

loss in first six months

handle group products in this new and very important market.
Steps have been release to the street energy conservation as a strategic issue. as a strategic issue. The com-pany's energy conservation pro-gramme is designed to make an initial 5 per cent saving in the energy bill throughout all its hites. Further savings will be hites. Further savings will be made as the programme evolves. At Montrose, a major group ne chemicals centre, a new £1m

laboratory for process investiga-tion and development work has been opened and e £2m facility manufacture development antities of rapitidine is shortly to be commissioned.

Anstin says.

On manufacture in the UK development is the plan to conand overseas, the chairman says struct a factory in Singapore for the production of basic drugs. The initial work is now com-plete and construction has started on a recently acquired

substantially increased costs— including in particular, greetly increased local government

Tax for the six months took £33,000 (£31,000) and there

unlisted company is maintained at 3p net.

OPTIONS

Offer Vol.

20

1 21

20 41 7

71

15 9 -

211_{9}}

484p

165p

661p

338p 398p 115p

474p

115p

480p

packing sterite antibiotic formu-lations have been completed satisfactory. The Spanish fac-tory at Aranda de Duero is now on-sream as planned.

As known, group pre-tax profits for the year ended June 30, 1980, amounted to £66.09m against £72.27m on turnover of against 2722/an on thirnover of £618.14m (£539.06m). CCA profits are reduced to £32.04m after adjustments for depreciation, £14.7m, cost of sales, £21.35m and gearing, £1.9m.

The accounts also show capital commitments contracted for but not provided of £19.13m (£14.5m) and anthorised but not contracted of £40.28m (£31.98m).

Sharebolders' funds at the year-end were £338.24m (£315.46m) with loans and overdrafts at £40.03m (£42.4m), loan capital £44.04m (£44.3m), short-term deposits, £13.57m (£10.26m) and cash £15.84m (£15.63m). Lex Back Page

Loss for Corning at . Commenting on the first-half halftime results they say trading profits were seriously affected by the general downturn in consumer demand, tighter margins and

HIGH fuel costs, strong overseas competition and the strength of sterling in certain export markets resulted in glass manufacturer Corning incurring a pre-tax loss in the 28 weeks to June 15, 1980, of £476,000 despite sales advancing from £31.72m to

were extraordinary credits of £222,000 (£200,000). Attributable profit showed e drop from £278,000 to £159,000. £33.19m.
In the comparable period last year the company, a subsidiary of Corning Glass Works USA, made taxable profits of £932,000 although by the year-end losses of £1.5m (£3.9m profits) were .The Interim dividend of this ported.

Trading profit for the 28 weeks howed e rise to £1.5m (£456,000) but losses on exchange and translation amounted to £458,000 (£48,000) and interest payable rose from £976,000 tn £1.51m.

Aberdeen Trust shows ahead at £3.3m

Pre-tax revenue of Aberdeen Trust increased from £2.53m to Trust increased from 12.53m m f3.3m in the year to September 30, 1980. At the balfway stage, pre-tax revenue bad advanced from f1.08m to f1.49m.

The full year's tax charge was f1.1m against f852,000. Net asset value per 25p share is 154.5p compared with 134p. The final dividend is raised from 3.1p to 3.7p dend is raised from 3.1p to 3.7p for a total of 5.7p (4.45p).

Solid progress at midway for Jackson Group

E173,000 to £365,000 in pre-tax profits is reported by Jackson Group, the East Anglian con-struction and industrial services group, for the six months to June 30, 1980.

Commenting on these figures, Mr. F. Jackson, the chairman, says they are the best in the group's bistory, but be adds a caution that, to some extent, the contrast with the same period in 1979 is due in markedly more favourable weather conditions this year.

The progress is real, he adds, and the results for the full year are expected to prove satisfac-

Group turnover was higher at £9.34m compared with £6.12m, and £14.6m for the last full year. There is again no tax charge for the first balf and no charge is anticipated for the current year because of investment in equipment and an increase in stocks and work in progress.

The interim dividend is raised from 1.45p to 2.1p—last year's total was 4.2p from pretax profits of £674,000. Stated earnings per 10p share are 14.3p against 6.7p.
Dividends absorb £18,000

£12,000) and after minorities of £4,000 (£3,000) retained profits amount to £343,000 compared with £158,000. Jackson Group shares are

traded on the market made by M. J. H. Nightingale and Co.

Canadian and Foreign rises at mid-year

Taxable profits of Canadian and Foreign Investment Trust rose in the half year to September 30, 1980, from £295,000 to £372,000 and after tax of £143,000, against £107,000, earnings per 25p share are shown as 3.35p, compared with

interim dividend is The interim dividend is increased to 1.95p net (1.75p).

Last year a total of 5.1p was paid from pre-tax profits of £628,000. Net asset value per share is given as 181.7p (163.9p).

A. Walker sees little change

While it would be very unwise to make a positive forecast for the current year, trading to date at Alfred Walker and Son would Indicate results not dissimilar from those of 1979-80. Mr. R. A. L. Walker, the chairman. told the annual meeting.

For the year ended April 30. 1980, pre-tax profits of this building contractor and property developer climbed from £53,000 to £123,000, on lower turnover of £2.82m (£3.7m).

Glaxo aiming to expand Weeks Associates in the £0.5m downturn at red and interim omitted

WITH ALL its UK companies having been affected by the steepening decline in demand. Weeks Associates, maker of trailers, industrial and agricultural equipment, incurred a pre-tax loss of £115,848 for the 2g weeks to August 10. 1980. compared with profits of £29,623 last time. No interim dividend is

compared with profits of £29,623 last time. Nn interim dividend is being paid—last year an interim of 0.7p net was followed by a final of 0.908p per 10p share, from £41,834 profits.

Turnover for the first 28 weeks rose slightly from £5,85m to £6,12m, although sales in the manufacturing subsidiaries were over 20 per cent down on the same period last year. The loss was struck after nearly dombled interest charges of £323,104 interest charges of £323,104

(£162,376).

The directors say that although timely and vigorous action was taken to cut back operations to meet changing conditions, the results have in be seen against that background.

There are few energy-ging There are few encouraging signs in the UK economy and, without a substantial reduction in interest rates, no improve-ment can be expected, they add. ment can be expected, they stid. In the face of this bleak outlook, the company's pridrity will be to conserve cash resources and intensify its selling operations at home and overseas.

Again no tax is payable for shape the interim period and after an to hav extraordinary charge of \$30,098 time to time, relating to the starting and displayed to the starting and up costs for Hunton Singapore Pte., there was an attributable deficit of £145,946 (£29,623

Exports of agricultural equipment were increased by 6 per cent, a direct consequence of the efforts made to develop overseas sales. RAP benefited from its new branches and was able to improve turnover over the pre-

At Huntons, lack of sales, combined with the need to pro-long costly sub-contract arrangements because of delays in schieving efficient levels of agricultural axie production, resulted in losses of £100,387 of

resulted in losses of £100,387 of which £25,000 are non-recurring. Reduction. In overhead expenses continued and losses have now been contained.

Results of Hunton Singapore are incinded for the first time; its trading losses amounted to £68,112. Since July, production and sales have been steadily increasing and second-half results will reflect the higher level of ectivity.

comment Weeks Associates ls in poor

time to reorganise its business and diversify from its traditional agricultural lines. Borrowings are up to £3.5m from £2.9m at year end and this is causing prohibitive interest charges. Capital gearing has risan to nearly 130 per cent and Weeks is placing top priority on conserving cash But this goal is being confounded by difficult trading. The two Hunton subsidiaries (UK and Singapore) accounted for the buik of the first-half loss with a combined deficit They will probably continue in loss in the second half and the current year outlook suggests a total loss of at least £150,000. There is really no recovery in sight until the atter part of next year when the Singapore operation gets going and RAP helps out mure. Meanwhile, the recent profit record is dismal, the balance sheet looks weak and share-holders receil and held their holders should not hold their breath for much of a dividand this year. With a net asset value per share of around 26p

S. Simpson but final payment maintained IN THE 53 weeks to July 31,

1980, pre-tax profits of S. Sir. pthe London tailer and clothier, fell from £1 4m to £1.04m. Group turnover rose from £22.05m to £22.35m.

After dropping from £922,000 to £506,000 pre-tax in the first balf, there was a slight recovery in the second, but at £535.000 the figure was below the £618,000 of the corresponding period last year.

In his interim statement, the chairman soid strong sterling continued to influence exports, competitive imports and profit margins, which were also narrowed by inflationary general costs and bigher interest rates. A major reduction in overseas visitors and an increase in VAT also depressed retail trade. The final dividend is un-changed at 2.95p for a sameagain total of 4.2625p.

After tax down from £723,000 to £643,000, stated earnings per 25p share are lower at 10.01p (11.27p). Extraordinary items £67,000 (nil) represent re-orga-

nisation and associated redundency costs.

BOARD MEETINGS

The following compenies have notified dotor of Board mootings to the Stock Exchange. Such mootings are usually hold for the gurposo of considering dividends. Official indications are not available as to whether dividends are interims or finals and the oub-divisions shown below are based mainly on less your stimetable.

Interims:—Bront Welker, R. H. Cole, Oavide and Newman, English and Inter-national Trust, Groveboll, a. end I. Nathan, Platignum, Wenern Brothors, Finele:—Audio Fidelity, Burndene Investments, Hormen Smith, Lingood, Rond Mines Progettics, Wood Hall Trust.

FUTURE DATES

Intsrims:—	
edoniae	New
ikes (Jahn) Hefa	Nov
ench Kier	Nev
adlem Sims and Coggins liens Laisure	Nov
lymark intornational	Nov
Smark insomations	MON



against vesterday's flattened share price of Sp. Weeks could

be in a vulnerable spot.

against

Johannesburg Consolidated Investment Company, Limited

Extracts from the Chairman's Review by Sir Albert Robinson.

The Annual General Meeting of the Company will be held in Johannesburg on 10 November 1980 at 12 noon.

This is my last Chateman's review of your Company's affairs as I shall be succeeded on I I January 1981 by the present Deputy Chateman, Mr G H Waddell. I have gladly accepted an invitation from my colleagues on the Board to continue serving as a Director. I first became associated with Johnnies in 1965, when I was appointed an Alternate Director; in 1971 I became Chateman. For the past fifteen years, increfore, I have been templated in the efficiency for the George Director that the expenses ded one activities to

involved in the affairs of the Group. During this time we have expanded our activities in platinum, gold, nickel, antimory and coal mining, and also in the industrial field. All of these areas of our business are contributing to the Group's present strength and prosperity and I am satisfied that they have the potential to do so in the future. Furthermore, I helicyc that under Mr Waddell's energetic leadership we can look forward to the development of new business as well as to the further expansion of our existing enterprises. But Johnnies' potential, and indeed the country's vast economic potential, will not be realised unless South Africa enjoys political, social and industrial stability. It is on this need for stability that I wish in comment.

The Prime Minister has unleashed the forces of change in South Africa after some thirty.

years of the restrictive policies of his predecessors. Over these years numerous devices were employed to entreuch apartheid or, as it later came to be known, separate development, Coloured and black representation in the South African Parliament was removed. Separate coloured and Indian councils were created. The Group Areas Act was introduced to divide the peoples of South Africa by forcing them to live in separate ethnic communities. Black homelands were established in the hope that they would arrest and ultimately reverse the infinx of blacks to the metropolitan areas. This plethora of divisive legislation inevitably necessitated the enactment of increasingly elaborate and powerful laws for the control of dissent. Howevernecessary those laws may be for the protection of the legitimate security interests of the State, it cannot be deuted that they have encroached extensively on the freedoms that are fundamental to any democratic society.

Mr Botha assumed office at a time when the failure of the orthodox doctrine of separate traditional policies were leading the country, the Prime Minister lost little time in setting a new and more hopeful course. Last year he announced a programme of reform directed towards the establishment of a constellation of states which he claims will be founded upon racial equality and economic growth. To this end he has initiated a process of consultation with black leaders and with representatives of the business community. He has abandoned the Westminster system of parliamentary government by abolishing the Senate and he has also abolished the Coloured Persons Representative Council. In their place he has announced plans for a new constitutional and political dispensation.

As one who attended the now famous conference between business leaders and the Prime Minister and his Cabinet colleagues last November, I feel free to comment on the trend of events since that meeting. There are those who suggest that reactionary elements in the Government will frustrate the Prime Minister's efforts to create a generally acceptable basis for a new South African society. Others however, hope and believe that, despite its slow progress to date, his policy reflects a new spirit, namely one that recognises and accepts that a negotiated sharing of power among the races is the only alternative to violent inter-racial conflict in South Africa.

It is difficult to assess the present balance of power between the reactionaries and the eformists. I am, however, certain of one thing: that Mr Botha's policies have unleashed forces of change and nothing can now preserve the old order or prevent the ultimate emergence of a new, non-racial South Africa. The Government's further plans are awaited with the keenest interest by moderates of all races within the Republic and by the major Western powers, whose trade and investments are essential to the country's wellbeing. Their essents hope is that Mr Botha will be able in steer a course away from conflict and towards an accommodation of the reasonable aspirations of all the peoples of South

I turn now to the question of industrial relations. In this sphere the Botha Government has advanced the process of change by the appointment of various commissions to investigate and report on industrial relations and the relevant labour laws in South Africa. For many years a number of leading white trade unions have dominated the industrial scene whereas blacks, by and large, have had their terms of employment decided by employers with the Government holding a watching hrief. Today the majority of Government-approved and registered unions are non-white or racially mixed, which is an interesting and satisfactory development. Obviously industrial peace should be the prime objective of employers, the Government and employees. That goal will not be achieved if employers resort to lockouts, instant dismissals and requests for police action as a response to workers who seek to negotiate legitimate changes in their conditions of employment. Such measures can only lead to civil disorder or industrial action and consumer resistance. I believe that certain steps should be taken to resolve this complex problem, namely how to achieve a responsible trade union movement which is fully recognised and whose members do not feel impelled to resort to unlawful action to obtain redress of whose members do not feel impelled to resort to imlawful action to obtain redress of grievances. Firstly, all unions should aim at being democratically representative of all cumployees. Secondly, the number of unions competing with each other should be limited. This is essential if only to avoid demarcation disputes. Unions should be encouraged in amalgamate in the different economic disciplines, or at least to bargain together with management as is already the case in the steel and engineering industry. Thirdly, it must be accepted that workers of all races have industrial rights, just as employers have industrial rights. One segment of the industrial community should not impose its will upon the other. Management and the unions must negotiate under the umbrelle arevolent industrial legislation to further their waying interests. These suggestions amount to the oractice of legislation to further their mutual interests. These suggestions amount to the practice of industrial democracy, a principle which should be accepted in South Africa if strife and disorder in the work-place are in be avoided. After all, employers and employees should have a common interest, which is in further their own prosperity and thereby promote the prosperity of the nation.

I have commented on some of the major political and industrial problems that confront the country. I am one of those who believe that to achieve stability in South Africa there should be one nation, however diverse its many parts. If this belief can win sufficient support — and I think it can — then we may hope for a constitution that meets the reasonable aspirations of the various communities. This achievement would provide the framework for a peaceful and prosperous future and would win for South Africa considerable support and goodwill in the international community. Results for the Year

The Johnnies Group made substantial progress during the past financial year and profits were at a record level.

Group profits before the deduction of tax, preference dividends and minority interests were R98.7m, compared with R70.9m for the previous year. Profits on the realisation of investments less provisions against possible future losses on investments amounted to R0.8m. After the deduction of tax, preference dividends, minority interests and the net surplus on realisation of investments, which is customarily regarded as non-distributable, the net profits available for distribution in ordinary shareholders for the 1980 financial year were K72.2m (1016 cents per share), an increase of 67% over the comparable figure of R43.8m (609 cents per share) for the previous year. These results are mainly a reflection of a 48% increase in Group investment income from R38.1m in R56.4m.

The consolidated income statement does not give a complete picture of the Group's carnings as it necessarily excludes the Group's share of the retained profits of non-substitiary companies in which a substantial interest is held. When these underlying carnings are taken into account, the equity carnings of the Johnnies Group increase to R189.5m (1890 cars per share), compared with R86.5m (1214 cents per share) for the Cash inflow for the year totalled R156.4m. Loan repayments absorbed R61.2m; R89.6m was distributed to preference and ordinary shareholders; investments accounted

"opies of the full Review and Report and Accounts are obtainable from the Lor

for R12.8m; expenditure on exploration and research was R8.6m; and R8.5m was spent on fixed assets. The net result of the aforegoing was an increase in cash resources of R35.7m to R56.5m. The Group's net current assets improved from a deficit of R31.5m to a surplus of R75,2m.

Time, the financial strength of the Group has been improved to a significant extent during the past year. A strong cash flow and substantial gearing potential place it in an excellent position to take full advantage of new opportunities as and when these arise. During the year ended 30 June 1980 dividend income from our diamond investments in-

creased by 19% to R16.8m, or 21.6% of consolidated normal income. These investments which amount to 11,3% of total Group investments, consist of holdings in certain unlisted diamond trading companies and in De Beers Consolidated Mines Limited. Gold and Uranim

The gold price continued to fluctuate widely during the year under review but maintained the strong upward trend that started in 1977. The average price received by the Scuth African gold mining industry was R13,580 per kliogram, an increase of 98% on the comparable figure for the previous year.

In March 1980, The Randforden Estates Gold Mining Company, Witwaterstand, Limited automoced plans for the sinking of the Cooke Nn 3 shaft to exploit the southern portion of its lease area, Full-scale production at the rate of 150,000 tons milled per month is expected to be achieved in 1986. Good progress has been made in overcoming production difficulties at the Cooke plant. As a result of higher gold prices, Western Areas Gold Mining Company Limited greatly

increased its after-tax profits during the period under review. In January 1980 a long-term contract for the supply of wranium was negotiated through the agency of Nuclear Fucis Corporation of South Africa (Pty) Limited. Deliveries in terms of this contract will begin in The meatium market, in covirast to the gold market, has detectorated appreciably

during the past year. With one or two notable exceptions atomic power programmes are generally at a standard, partly as a result of public controversy concerning the alleged hazards of nuclear reactors and the disposal of waste material. The market may be expected to recover in due time, however, as the demand for energy increases and as the leading industrial nations move to reduce their reliance on Middle East oil. Platinom

Rustanburg Platinum Holdings Limited carned pre-tax profits of R239.9m in its financial year cuded 31 August 1980, an increase of 85% on the comparable figure for the previous year. This record level of profits was due partly to increased sales volumes but mainly to substantially higher prices for platinum and palladium. During the past two years Rustenburg has greatly strengthened its financial position. All borrowings have been repaid and cash resources at \$1 August 1980 amounted to R42.1m. These cash resources will enable the company to exercise greater flexibility in its response to any adverse

developments that may occur in the platform market.

Prospecting of the Merensky Platreef in the Potgleters us district is far advanced but the necessary metallurgical and feasibility studies will not be completed for some time. Preliminary indications are that this area has the potential for supporting a major new platinum/nickel/copper mine. However, a close assessment of the future world-wide demand for platinum and Rustenburgs overall production capabilities will have to be made before a decision can be reached on whether to develop a new mine.

On 28 August 1980 Rustenburg raised its published price for platimum from \$420 to \$475 per ounce. The company has enjoyed favourable trading conditions thus far in its current financial year.

As reported in the Directors' review, Johnnies' investment in managed coal producers now consists of a controlling interest in Tavistock Collicies Limited, the investment in The Natal Cambrian Collicries Limited having been sold during the year. In addition the company has valuable coal rights in the Middelburg, Breyten and Paardekop areas of the Eastern Transvanl and options over coal-bearing areas in Natal and KwaZalu. Other areas are being sought. In my opinion, the Government's policy on coal exports is in urgent need of review. South

African reserves of coal are estimated to be 60 to 65 thousand million tons, so without the least detriment to internal requirements they could easily support a level of exports very much higher than the officially imposed maximum of 44 million tons per amoun for thirty

Consolidated Murchison Limited, the western world's largest producer of antimony concentrates, carned after tax profits of R7.5m in its financial year ended 31 December 1979, compared with a loss of R0.5m in the preceding year. Market conditions continued to be favourable during the first half of the current financial year but since then have deteriorated significantly as a result of a marked decline in demand from the principal consumers of antimony products. On 6 October 1980 the company amounced that, as sales were expected to remain at a low level next year, it had been decided in reduce the milling rate from 45,000 in 30,000 tons per month and, furthermore, that no final

mining rate from 45,000 in 50,000 tons per month and, furthermore, that no final dividend would be declared in respect of the current financial year.

Shangari Mining Corporation Limited, in Ztonbabwe, made a net profit of Z80.8m, after full provision for interest charges, during its financial year to 80 June 1980, compared with a loss of Z82.8m for the previous year. These results, which were better than the breakeven position forecast in my previous review, were due mainly to unexpectedly good nickel prices and in e large increase in revenue from cobalt sales. Prospects for the current year realess for meaning the beautiful that the state of the current year. are less favourable, however, and the indications are that operating profits may not cover interest charges. We have confidence in the future of Shangani, which is the justification for our pesseverance in funding our share of its financial requirements.

The future of Otjihase Mining Company Limited has been the subject of a great deal of attention since my previous review. Your Board has decided that Johnnies itself should not

re-open the mine but instead should seek a suitable partner to do so. Discussions to this end are being held with interested parties and, if these discussions should be successful,

Otjihase could be re-opened on a satisfactory and viable basis.

Onrinterests in the industrial field include Consolidated Metallurgical Industries Limited (CMI) and Lenning Holdings Limited, which are managed by Johnnies, and substantial portfolio investments in The South African Breweries Limited, Argus Printing and Publishing Company Limited and Toyota South Africa Limited. Income from industrial investments, including the interest of Johnnies and its wholly-owned financial subsidiaries in the retained earnings of non-subsidiary companies in which substantial

investments are held, amounted to R29.4m, an increase of 89% on last year's figure.

CMI enjoyed favourable market conditions during the year and its financial results. although adversely affected by the appreciation of the rand against the US dollar, were in accordance with expectations. At the end of June, however, the company's rate of production was cut by 15% in response to a decrease in ferro-chrome demand caused by a harp decline in US steel production.

SA Breweries, which made a major contribution in the improvement in Johnnies income for the year, increased its earnings and dividends by 80.7% and 87.5% respectively and is particularly well placed to benefit from the upsurge in consumer spending that is now

There is good reason to expect that in the current financial year our industrial investments will again improve upon an already substantial contribution to our

consolidated income.

October 30th, 1980.

don Secretaries: Bernato Brothers Limited, 99 Bishopsgate, London ECRM SXE.

—.COMPAGNIE BANCAIRE Report by the Board of Management First half of 1980

THE GROUP'S OPERATIONS

The Group's new business in the first half of 1980 amounted to 12,900 million francs. This figure represents in the main, loans by credit companies in the Group and investments by leasing The Group's activities have been strictly limited by credit

controls which have caused a slowdown in the progressive growth rate achieved in-previous periods.

On 30th June, 1980 the total of loans outstanding amounted to 62,900 million francs.

(in thousand million tranes)	Ist half 1978	2nd half 1978	lsthaif 1979	2nd half 1979	Ist half 1980
Creditgranled and new business	10.0	10.9	12.6	13.7	12.9
Loans outstanding	49.2	51.7	55.1	59.1	629

In April, the Compagnie Bancaire issued 800 million francs worth of bonds, increasing the total amount of the Group's debenture resources to 5,712 million francs.

CONSOLIDATED PROFITS

The sharp rise in interest rates in 1979 reduced the profits of the Group's credit companies during the first half of 1980 but the profit margin on their financial operations has since been restored.

* 4 V			
(in millions of francs)	1978	1979	lst baif 1980
Group pro-tax profits	1,077	1,137	460
Taxation	-532	-535	-216
Outside spareholders' interest.	-249	-275	-125
Net consolidated profits attributable to the			
Componie Resceive	296	327	119

Note on accounts:-

The pre-tax profits of the Group's Companies are computed after appropriations to depreciation accounts and to provisions for future charges or recognised risks. They also include, where appropriate, appropriations to provisions of the nature of free reserves. They do not include non-trading capital gains.

but he makes no comment about

per cent achieved in the year to last June.

potential partners for re-opening of the property.

the diamond interests.

An International Group in many fields of textiles

Interim Announcement

Unaudited results for January/June 1980 and the comparative figures for 1979 are as

£000s 336,049	1979 £000s 683,649
39,225	79,521
6,615	13,445
32,610	66,076
4,403	11,306
28,207	54,770
1,012	2,739
1,826	6,025
31,045	63,534
11,773	25,250
19,272	38,284
17 5	349
19,447	38,633
2,509	4,958
16.938	33,675
663	1,971
16,275	31,704
24	48
16,251	31,656
4,164	11,358
12,087	20.298
	12.2p
	19,272 175 19,447 2,509 18,938 663 16,275 24 16,251 4,164

Sales at £346 million (1979 £336 million) were marginally bigher than in the same period last year. World sales volume was virtually unchanged and price increases more than offset the adverse effect on sales value of the strengthening of Sterling compared with January/Jnne 1979.

Exchange movements reduced trading profits by £7.3 million, or 22%, but better trading results in North America and certain European countries, derived entirely from improved efficiency, confined tha drop to £2.4 million, or 7%. Unfortunately the level of price increases mentioned above was insufficient to cover increased costs and trading

The increase of £2.2 million in the interest charge was due to higher interest rates

Owing to improved profits in high tax countries and a provision for clawback of stock relief which may not be necessary, the rate of tax has risen from 38% to 42%. In consequence, profit earned for ordinary shareholders was £12.3 million (1979 £16.3) million), a reduction of 24%.

Pro6t before taxation of £26.7 million reduces on an SSAP 16 basis to £10.7 million (1979 £31 million to £16.3 million).

Trading conditions, particularly in the United Kingdom, were difficult throughout tha first half of the year and there is currently little sign of improvement. We are continuing our policy of rationalisation and disposal of surplus assets. Taken together with a more efficient use of working capital, it is expected that the net horrowing position at the year-end will be similar to that at December 1979. It is anticipated that the year on year increase in interest charges will not be greater than the increase shown for the first six months. The movement of the Sterling exchange rate will, however, be the main factor determining the results for the current year.

An unchanged interim dividend of 1.4p per share will be paid on 31st December 1980

'Johnnies' looks to a new era of expansion

BY KENNETH MARSTON, MINING EDITOR .

WIND of change in South Africa and a new era of expansion for Johannesburg Consolidated Investment ("Johnnies") provide the theme of Sir Albert Robinson's last annual statement as chairman of the South African mining and industrial group.

Sir Albert, who has spent 15 years with the company, will remain on the board and he will be succeeded as chairman from next January by Mr. Gordon Waddell.

Sir Albert says that South Africa's potential and that of "Johnnies" will not be realised until the country enjoys political, social and industrial stability. He adds that the policies of the South African Prime Minister, Mr. P. W. Botha, "hmave unleashed forces of change and nothing can now preserve the old order or prevent the emerce of a new, non-racial South Africa.

"Johnnies" future, he points to the group's improved finances and anticipates "the development of new business as well as to the further expansion of our existing enterprises." He confirms that the group has a potential major new plate um-nickel-copper open-pit mine in prospect, but any go-ahead deci-sion must await a close assessment of the future demand for olatinum

Looking to "Johnnies" new gold mining possibilities, Sir Albert says that a preliminary viability study has indicated a potential gold mines to the north-east of Randfontein Estates' Cooke section. "Johnnies" and Randfontein are the main interested parties in the area which is now being subjected to a detailed investigation. that Rustenburg Platinum
Technical studies are also Holdings has enjoyed favourabla
being carried out on deep gold trading conditions in the first

hearing reefs to the south of Western Areas where the latter company. "Johnnies" and Free State Developments have A third "interesting"

Sir Albert Robinson .

"Mr. Botha's policies have un-

leashed forces of change . .

nothing can now prevent the

ergence of a new, non-racial South Africa."

area where prospecting rights are beld by "Johnnies" is the dge of ground between Randfontein and Cooke where the Middle Elsburg reefs are thought to contain similar values to those in the two adjacent lease areas. Sir Albert sees a continuing strong demand for gold and says

Cominco bidding for **Bethlehem Copper**

Canadian Pacific group, has concluded a deal which could lead to the early development of one of the largest copper orebodies in the world, reports John Soganich from Toronto.

Cominco is paying more than cent stake in Bethlehem Copper held by Gulf Resources and Chemical, of Houston, Texas. The purchase will raise Cominco's holding in Bethlehem Copper to 55 per cent, and this could go when, as intended, Cominco makes a similar offer of C\$37.50 a share to the other Bethlehem owns and operates

CANADA'S Cominco, the metals a large open-cut copper mine and chemicals concern in the and concentrator in the Highland Valley area of British Columbia. The operation adjoins a 1bn tonne copper deposit owned by Valley Copper Mines, in which Cóminco has an 80 per cent stake. Bethlehem is a minority holder in Valley Copper, and has pany's production.

Other significant stakes in Bethlebem include America's Newmont Mining, with 22 per cent, and Sumitomo Shoji Kaisha of Japan with 3 per cent. The remaining shares are believed to be widaly beld in the U.S. and Canada. Full acceptance of Cominco's offer would cost the company more than C\$126m.

Anglo-Vaal group looks for higher profits this year

THE OUTLOOK for the year to research and development research June 30, 1981, for Angle to RS.4m from last year from Transvani Consolidated Invest. R4.5m, and the group is stepping He sees "good reason" to expect that the group's industrial interests will do even commodity prices, according to Mr. Basil Hersov, the chairman. Mr. Hersov said in his annual statement that all group combetter this year, thus confirming this column's recent view that the group is heading for another good year, albeit without a profits increase matching the 40 panies are budgeting for higher profits.

Anglo-Vazi, the South African mining, industrial and finance is paying particular On the other side of the coin, he points out that South Africa's reserves of coal, estimated at some 60bn to 65bn tonnes. "could easily support a level of attention to mineral exploration and personnel development in order to maintain satisfactory growth in future, he added.

The group's net attributable profit for the year to June 30, 1980, rose to R38m (£20.8m) from R23m, with act earnings 65 per cent higher at a record 898 cents against 543 cents. This exports very much higher than the officially imposed maximum of 44m tonnes per annum for 30 At the group's Shangani nickel operation in Zimbabwe, the opening up of the underground mine is behind schedula and operating profits this year may not cover interest charges. Tha Otjihase copper mine in Namibia remains closed down and, as already reported, "Johnnies" is having talks with

growth stemmed from higher gold prices received by Anglo-Vaal's mining investments, increased earnings from the industrial subsidiaries and profits earned by the restructuring of the investment portfolio. the subject of exploration,

ment (Angle-Vaal) is favour up its efforts in the country able, based on current gold and year.

Aside from expleration is new areas, Mr. Hersov said that with radical changes in the prices of minerals, companies have to be in a position to re-examine ore deposits not previously con-sidered viable. The group plans capital expenditures over the next three years totalling more than R500m, with about half going to the mines.

Turning to personnel development, Mr. Hersov said that Anglo-Vael was investing heavily in training in erder to cope with the changes which have come about in South African industrial relations since the publica-tion of the Wiehahn Report.

In particular, he said, the position whereby employers and registered unions determined the course of labour matters for themselves as wall as for Black workers is now changing. "Care will have to be exercised in an attempt to reconcile the fears of some with the rising of some with the rising aspirations of others." he added... on mineral exploration,

Zagrebacka Banka

Investiciona Komercijalna Banka, Split

US\$13.000.000 Medium Term Loan

Grindlays Bank Limited J. Henry Schroder Wagg & Co. Limited

City National Bank of Detroit

Grand Cayman Island Branch **Irving Trust Company**

Grindlay Brandts Limited



Salient features from the Directors' Report

The Company earned a profit after taxation of R19 123 000, compared with R12 070 000 in the 1979 financial year, and its net earnings per share rose to 456 cents (1979: 273 cents) of which 230 cents (1979: 150 cents) were declared as dividends. Consolidated profit attributable to members rose by R15 041 000 to R38 074 000 and earnings per share increased by 65% to 898 cents. The growth in the earnings was attributable to higher dividend payments received from the Group's gold mining investments, significantly improved profits of our industrial companies and increased profits on investment transactions.

A table showing the profit after taxation artriburable to members earned from the principal spheres of interest in which the Company is interested is set out below.

Ren	-	D _m	••						88
		run.	. "	Am	2	Rm	5	R _{IM}	
4.1	26	2.9	⁻ 20	4,8	30	7,7	29	14,2	37
3.1	22	4.7	32	2.9	16	7,4	26	6,9	11
2.8	20	3.3	22	2.8	17	3.7	14	8,5	17
3.3	23	3,2	22	4,2	26	6,3	24	8,9	23
0,4	3	0.3	2	0.4	3	0.5	2	0,4	1
0.4	3	0.4	2	1.0	6	1,0	3	1,6	4
14,2	100	14,8	100	16,1	100	26,6	100	38,5	196
	2.8 3.3 0.4 0.4	2.8 20 3.3 23 0.4 3	2.8 20 3.3 3.3 23 3.2 0.4 3 0.3 0.4 3 0.4	2.8 20 3.3 22 3.3 23 3.2 22 0.4 3 0.3 2 0.4 3 0.4 2	2.8 20 3,3 22 2.8 3.3 23 3,2 22 4,2 0,4 3 0,3 2 0,4 0,4 3 0,4 2 1,0	2.8 20 3.3 22 2.8 17 3.3 23 3.2 22 4.2 28 0.4 3 0.3 2 0.4 3 0.4 3 0.4 2 1.0 6	2.8 20 3.3 22 2.8 17 3.7 3.3 23 3.2 22 4.2 28 6.3 0.4 3 0.3 2 0.4 3 0.5 0.4 3 0.4 2 1.0 6 1.0	2.8 20 3.3 22 2.8 17 3.7 14 3.3 23 3.2 22 4.2 26 6.3 24 0.4 3 0.3 2 0.4 3 0.5 2 0.4 3 0.4 2 1.0 6 1.0 3	2.8 20 3.3 22 2.8 17 3.7 14 8.5 3.3 23 3.2 22 4.2 26 6.3 24 8.9 0.4 3 0.3 2 0.4 3 0.5 2 8.4 0.4 3 0.4 2 1.0 6 1.0 3 1.6

In the light of the current prices of copper and zinc, the board felt it prudent to write-down the Company's investment in Prieska Copper Mines :Proprietary Limited and an amount of R1,5 million has been provided for in the accounts for this purpose.

16.1

MIDDLE WITWATERSRAND (WESTERN AREAS) LIMITED

	Year ended 30 June		
From consolidated	1980	1979	
financial statements	R000	R000	
Prolit after taxation Earnings per share	. 14 143	7 246	
- including profit on realisation of investments - excluding profit on realisation of	144,7 cents	73,7 cents	
ingestinents	106.2 cents	56,5 cent	
Dividend per share	65.0 cents	35.0 cents	

it is estimated that a similar amount will be spent in the current year. MAD TESRFECTED NOTEIN GOLD MINING COMPANY LIMITED

	Year e	Year ended 30 Jun		
	1980	1979		
	R000	R000		
Turnover	416 283	203 9 12		
Profit after taxation	135 192	64 626		
Earnings per share	I 096 cents	425 cents		
Dividend per share	1 025 cents	400 cents		

R4S million in 1979 to R12S million in 1980. As a result of the higher gold price, pavability to the north-western area has improved and this area will supply a greater quantity of ore than had previously been expected. Alternative methods of handling this ore are being considered, one of which involves an additional shaft from surface. In 1981 it is planned to mill 2.9 million mas of ore at a recovery grade of about 11 g/t. Capital expenditure will remain high and further escalation in costs is expected. Profits will therefore depend on the gold price and the extent

ZANDPAN GOLD MINING COMPANY LIMITED

	Tear Cr	med 30 mile
	1980	1979
	R000	R00 0
Profit no tax pavable	22 554	8 749
Earnings per share	173, 2 cents	67.2 cents
Dividend per share	173,0 cents	67,0 cents
The company's main asset, its sharehold Mining Company Limited, remained investment in Hartebeestfontein was payments rotalling-173 cents (1939:-67. members.	unchanged. Incom R22,5 million an	e from the

LORAINE GOLD MINES LIMITED

	9 months to \$0 June 1980 (unaudited) R000	Year ended 30 September 1979 R000
Turnover	<i>5</i> 5 956	48 305
Profit (no rax payable)	12 677	4 000
Earnings per share	35 cents	9 cents
Underground development has been stopelace. This has resulted in a lower to and the reclamation of a surface dump to plant's capacity. As the dump value is one, recovery grade has dropped from year m 3,3 g/t for the 9 months to remains at a high level and is being it programmes.	nnage to mill from o fill the balance o lower than that of 5,3 g/t in the 193 June 1980. Capin	underground fine reduction underground 8/79 financial despenditure

EASTERN TRANSVAAL GONSOLIDATED MINES, LIMITED

the penal, jamen was joint		
	Year en 1980. R000	ided \$0 Jun 1979 1800
Turnover	29 561	14 93
Profit alter taxation	10 032	4 01:
Earnings per share	172 cents	63 cent
Dividend per share	150 cents	50 cent
Revenue increased from R15 million to R5 gold price received rising from S237 per or in 1980. Pre-tax profit, despite a sharp rise some R12 million in R19,5 million.	unce in 1979 to \$55	28 per ound

VILLAGE MAIN REEF GOLD MINING COMPANY (1984) LIMITED

				
		-	Yes	rended 38 June
	•	···	1980	
			R000	R000
Turnover		-	4 355	\$ 531
Profit after taxation			1478	
Earnings per share			_ —	15,7 cents
The increased profit	ollowed	higher p	prices received	for gold sold.
Calcine reclamation op	erations,	ceased du	ring the last qu	arter of the year
and the treatment of	sands.	commen	ced. Two tube	mills require
recommissioning to en	sure a m	illing cap	acity of 60 000	tous per month
when encountering poo	kets of o	parse mai	ernal no the dun	ups. At the same

Extracts from the statement by the Chairman, Mr Basil E. Hersov

 Ordinary share earnings increased by 65 per cent and dividends by 53 per cent. Earnings have more than doubled over the last two years and, over the last five years, have risen by an average 25 per cent compounded annually, equivalent to more than 11 per cent in real terms.

The growth was attributable to higher gold prices, considerably increased earnings of industrial subsidiaries and profits from the restructuring of the investment portfolio.

• The Group is investing heavily not only in training but in training methods to deal with technical advances and new developments in industrial relations.

• Broad guidelines have been set for the Group's industrial relations policy which enables companies to adjust details to their specific needs.

• Mineral exploration, research and development expendi-

Financial highlights for the year ended 30 June 1980

	Cor	necildered '	"Соттрыту	
	1980	1979	1980	1975
Profit after texation	R72 623 000	R47 518 000	R19 123 000	R12 070 000
Dividends paid	R10 046 000	R6 657-000	R10 223 000	R6 769 000
Earnings per ordinary share*	898 cents	. 543 cents	436 oursis	273 centy
Dividende per ordinary share	- 230 cents	150 cents	220 cents	150 cents
Net worth per ordinary share (consolidated).		4'850 cents		
Listed investments . Book velue Market value	R63 851 000 R310 785 000	R42 545 000 8150 131 000	RE2 657 000 R266 041 000	R39 935 000 R132 426 000

ome, by effecting minor modifications in the remaining sections of the plant, the overall plant capacity can be increased to treat approx 70 000 tous per month when fine material is being reclaimed.

RAND LEASES (VOGELSTRUISFONTEIN) GOLD MINING Gold mine (dormant)

The property has been on a caretaker basis since 1971 but as a result of the higher gold price the feasibility of re-opening the utine is again being

PRIESKA COPPER MENES (PROPRIETARY) LIMITED uca of cobbar, zinc and exrite a

		Усат св 1980 2000	ded 80 June 1979 R000
Turnover Profit (no tax payable) Earnings per share		63 397 16 942 2 cents	69 122 18 805 17 cents
The drop in profits was	due mainly m low	er copper and zinc	concentrate

1976 1977 1978 production caused by a decrease in the head grade of ore treated and by a

ture rose to RS.4 million (1979: R4,5 million). Drilling for

gold in the Orange Free State in partnership with another

mining house is continuing, while the Eastern Transvaal prospect will need much more drilling before its geology can be determined. Coal rights have been acquired in the

Eastern Transvaal and drilling is taking place for coal in

Over the next three years planned capital expenditure will

be more than R500 million, of which the mining companies

account for about R245 million and industrial concerns for

As at October 3, the market value of listed investments had

Prospects for the current year are favourable: based on

current gold and commodity prices and the present business

climate, all Group companies are budgeting for higher

into the will by her court

various areas over which mineral rights are held.

about R255 million.

risen to R337 million.

CONSOLIDATED NET EARNI

reduction in the tonnage milled. Exploration expenditure of R1.5 million was directed partly towards investigating selected properties in close proximity to the mine and partly towards exploring extensions to the main ore body. In the current year a further R1,5 million will be spent on

THE ASSOCIATED MANGANESE MINES OF SOUTH AFRICA T

Producer of mangeness and sum ares, and mang	anese and change of	OVI
	6 months to	Year ended 31 Depember 1979 R000
Turnover Profit after taxation Earnings per share Dividend per share	58 236 8 070 7 1 cens 60 cens	127 925 19 911 254 sents 180 cents

Bambers rises marginally to £1.12m in first half

Stores rose to the six months to August 2, 1980, from £1.06m to £1.12m on sales £2.61m bigher at £1.38m.

Example in its stores. The company, ladies and children's wear manufacturer and retailer, also continued 10, acquire new branches and epiloce older shops with larger and modern modern.

And the chairman, Mr. S. Marka, says that in the last two ones, months trading has improved to The some degree and he is hopeful effect

Looking further to the future be says he remains optimistic about trading prospects. Some new projects, he adds, are developing well and are confidently expected to make a contribution in 1981-82.

Commenting on the first-half figures Mr. Marks says trading conditions remained extremely

Marka, says that in the last two ones.

months trading has improved to some degree and he is hopeful of achieving a satisfactory result for the year as a whole.

Looking further to the future be says he remains optimistic ahout trading prospects. Some new projects, he adds, are to £705,000 but there was a profit developing well and are confidently expected to make a contribution in 1981-82.

Commenting on the first-half figures Mr. Marks says trading conditions remained extremely difficult. However, be helieves the company captured a larger share of the market. Sales volumes were up on the correconditions remained extremely difficult. However, be helieves the company captured a larger share of the market. Sales volumes were up on the corresponding period last year, be

During the half-year considerable efforts were made in has cushioned it against the expanding the company's product worst effects of the recession.

with larger and more modern

• comment

Profits before tax of Armonr lelevision industries.

Trust rose from £373,000 to Tax charge for the year is £440,000 in the year ended April £38,000 (£10,000) giving earn30, 1980, on bigher turnover of ings per share of 28p against £8.23m against £7.45m, and the directors are stepping up the dividend from 0.1p to 0.125p per again performed most creditably and produced record profits the

The Board's objective remains directors say.

to consolidate the recovery of Its products are geared to the

current year has been difficult current economic environment
—subsidiaries of the group are are hetter placed to withstand

-subsidiaries of the group are are hetter placed to withstand engaged in the confectionery and the overall decline in con-

Bambers' policy of modernising and increasing its retail network

and produced record profits, the

hower priced sector of the con-fectionery market and in the

Border Breweries slips to £474,000 Pre-tax profits for the year, with-out taking account of property transactions, should be in the region of £3.4m, marginally-Estimated pre-tax profits of

Border Breweries (Wrexbam) for the six months to August 31. higher than last year. In the past three months sales, which remained buoyant at the interim largely due to earnings from eight new stores, have picked up and eight more stores are due. 1960, show a drop from 1558,000 to 1474,000—and the directors warn that the second half does not look very promising. They say they have to npen. Income gearing remains at a rather high 60 per cent but there have been nd net additions to debt in the first half and the

implemented ecnoomies where possible in an endeavour to keep possible in an endeavour to keep costs down, but add that they cannot control increased charges in aervices such as fuel, electricity and water.

During the half year sales of all products, including draught beers, were down in volume. High unemployment combined with short-time working in the to seot in the first half and the traditional "second-lialf sales hoost will bring this figure down. The shares stand at 59p where, given a final net dividend payment of 0.89p, the prospective yield is 3.8 per cent, while the pre fully taxed, is 13. with short-time working in the whole of the company's tracing areas resulted in a fall in con-somer spending, the directors

and in con any compulsorily interim dividend from 1.2p to wound up in the High Court on 1.3p net—last year a total of Tuesday. The petitioner was the 4.5p was naid

IC Industries sets new growth records for third quarter and nine months. By design.

SOLIDAT	ED STATI September	EMENT OF 30, 1980 cor	INCO npare	ME d wit	h san	me peri	nd for 1979
	Quarter end	led			e mi	inths er	
1980	1979	% Change	19	80	3	979	% Change
\$1.014.9	\$924.8	9.7	\$3,0	16.8	\$2	,670.3	13.0
\$ 30.4	\$ 25.8	17.8	\$	75.9	\$	60.7	25.0
s 1.52	\$ 1:25	21.6	\$	3.62	\$	2.72	33.1
	1980 \$1.014.9 \$ 30.4	His ended September Quarter end Sept. 30 1980 1979 \$1.014.9 \$924.8 \$ 30.4 \$ 25.8	ths ended September 30, 1980 cor Quarter ended Sept. 30. 1980 1979 % Change \$1.014.9 \$924.8 9.7 \$ 30.4 \$ 25.8 17.8	ths ended September 30, 1980 compare Quarter ended Sept. 30. 1980 1979 % Change 19 \$1.014.9 \$924.8 9.7 \$3.0 \$ 30.4 \$ 25.8 17.8 \$	Quarter ended Sept. 30. Nine 1980 1979 % Change 1980 \$1.014.9 \$924.8 9.7 \$3.016.8 \$ 30.4 \$ 25.8 17.8 \$ 75.9	ths ended September 30, 1980 compared with sate of the September 3	ths ended September 30, 1980 compared with same period

Armour Trust recovery trend continues

although there are signs of an Telesure has expended up to the meadure of the group. to customers and anticipates further expansion in the current year while rental growth will be more difficult to achieve.

Telesure made a small loss during the year which was to be expected. It la not anticipated that Telesure will contribute substantially to group profits in. Litigation between the com-the short term due to a change, pany, and the liquidator of In emphasis of the business from credit sales to rental of telebeen salisfactorily resolved and This policy bas had an effect included in the year's results.

OIL AND GAS NEWS

Two more Strata wells on Woodada find

BY STEPHEN THOMPSON

the past two years although trading in the first half of the

anka.Spla

muted

AUSTRALIA'S Strata Oil, which participated in the discovery of the Woodada well is the Woodada gas field in the expected to commence drilling Perlh Basin of Western Austraat the end of November and lia last May, is planning will be located 4 km, north of sustained production testing of Woodada 2. The fourth will be the two discovery wells, commenced immediately after Woodada 1 and Woodada 2, and completion of Woodada 2 and completion of Woodada 2.

Woodada 1 and Woodada 2, and says that two further wells will be drilled starting in late November, according to the company's latest quarterly peak of 164p. Woodada fiftowed report.

The lests, which will have an initial flow rate of 10m cubic fi of gas a day, will help in outlining the extent of the gas chloric acid solution.

Treservoirs. Production will be introduced to the existing put is sufficient.

The participants in the venture have already placed orders

completion of Woodada 3...

Woodada sent Strata's shares woodada fiftowed as rate of 32,38m cubic fi of gas a day and Woodada 2 at 32.8m cubic fi, a day, both following slimitiation by a hydroliking strata has a 26,95 per cent stake in the Woodada find, Hughes of Texas, operator, holds 65 per cent the UK-registered Hampton Trust owns a 3.5 per cent interest

drilling should begin in December.

INSURVETTE

Northern Territory Strata has a 121 per ceot interest . Tricentrol North Sea, a wholy in a consortium applying for owned subsidiary of Tricentrol Lots 12 and 13. The consortium comprises Diamond Shamrock, operator. Northero Michigan NT/P33 in the Bonaparte Gulf Exploration. Sydney Oil, Mid- off the Northern Territory coast- Holdings and Offshore Oil.

The permit, in which Tricen-

a marine seismic programme on at a rate of 750 harrels a day, its 100 per cent-owned WA-113P the second was dry, and the third Block, while in the Surat Basin recovered only drilling mud and the fourth produced at a rate of 2,385 barrels a day.

> owned subsidiary of Tricentrol.
> Oil Corporation has been awarded oil exploration permit The permit, In which Tricen-

initial flow rate of 10m cubic ft of gas a day, will help in out lowing stimulation by a hydro-lining the extent of the gas chloric acid solution.

The fifth and last of the will last for six years and building the extent of the participants in the venture have already placed orders for a gas expansion plant and lagorated in slip while the responsibilities are currently in progress.

The participants in the venture have already placed orders for a gas expansion plant and lagorated in slip while the responsibilities.

The participants in the venture have already placed orders for a gas expansion plant and lagorated in slip while the responsibilities.

The participants in the venture have already placed orders of the present of the determinance of the participants in the venture have already placed orders of the present o ... irol has a: 100 per ceof foterest.

markets. And, Pet Inc. will soon inaugurate a new frozen-foods production and distribution facility to serve the growing southeastern

United States market. 13 percent increase over 1979. Pretax moome in the third quarter for soft drink operations (Pepsi-Cola General Buttlers, Dad's Root Beer and Bubble Up) was up 19 percent over 1979.

Commercial Products on the upswing. exceeded \$1 billion, 10 percent ahead

The economic slowdown reduced third quarter income for our ... Commercial Products Group (Abex Corporation and its subsidiaries)... However, Abex pre tax earnings for September were 13 percent higher

than last year, a sign of recovery. Fa Power Group posted earnings 76 percent higher in this year's third quarter than in 1979.

ICRailroad Activities on track. Several large real estate sales in September strengthened the position of IC Railroad Activities the Illinois Central Gulf Railroad and railroad real estate). Net tonnage shipped through

CERT WELL HAD THE DE CHAPTER CONTRACT HER BUILDING

September by the ICG was up 2.2 percent over 1979.

And, recent action by the U.S. Congress to de-regulate the industry should benefit future railroad results.

On our way to a record year. Despite a less than favorable

economic climate, IC ludustries is on its way to record sales this year. At the current rate, 1980 sales should top \$4 billion and produce record earnings. We continue to grow. By design,

IC Industries is a carefully balanced group of diverse companies. And, we do more than keep our balance in difficult years. We prosper.

If you would like to know more about our design for growth, write: IC Industries. Inc., European Office. 55 chemin Moise Duboule, CH-1209 Geneva, Switzerland.

Growth by design.

subsidiary. Feralless Limited, was R17.1 million 1978; R18.3 million. Capital expenditure amounting to R5 million 1978; R18.6 million was incurred by the company in expanding mangainese production and improving employee housing, while at Ferallox RL7 million 1975. R800 000 was spent mainly on replacement items. Capital expenditure during 1950 on the company 4 inthes and at Ferallox is estimated at R9 million. of million, I also also the first force of the firs

CONSOLIDATED MURCHISON LIMITED . . Smanine to Year ended

	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	· 16 - 5.4		in Jace 1959 . Junaudiest R000	\$3 Decembe 197: Ruth
,	Turnover Profit after taxadion- Earnings per share Dividend per share	1		3 506 40-cents	24 400 7 52 119 cent 100 cent
,	Demand for antimopy sales increased. Sales	of concentra	ites duting	THE INTE USIG	1ST 1890 MEG

been: a sudden and significant decrease in demand for seamont exide mers and sales volumes in the third quatter of 1950 will be severely affected.

ANGLO-TRANSVAAL COLLIERIES LIMITED

		sed at June
	1980	79:0
	R000 .	R000 .
Profit after taxation	333	1 258
Farrings per share	149 cents	71,9 cenus
Dividend per ordinary share	148 cents	71.1 cents
Dr. Lacons Per C.		

The increase in profits was attributable to higher dividend incomreceived from the company's investment in Withank Colliery Limited.

ANGLO-TRANSVAAL INDUSTRIES LIMITED Industrial on estrume and finance company

From consolidated financial statements	. •		1980 2000	Rocci Rocci
Turnover Profit alter taxation Earnings per share			655467 49 258 - 186 cens	494 743 50 791 125 cents 24 cents
Dividend per share The ripswing in the econ has escalated sharply di experienced in both the considerable buevaner fürther increases to prof	consumer in the econ	ast year a	al goods so fors.	There is still

SOUTH ATLANTIC CORPORATION LIMITED

Limited are reviewed below.

Incustral relates (Colons)		
	Year end	27 30 June
From consolidated	1980	39:9
	R000	R000
onancial statements .	321 511	263 205
Turnover		11 855
Profit after texation	73.cenus	60 cenu
Earnings per share	25 cents	.19 cents
Dividend per share		
All the companies in the group are expe	ecting to improve their	pronu u
Corporation Limited, Clobe Engineerin	& Mores Transco said	Contestas

IRVIN & JOHNSON LIMITED

	Year end	ed 30 June
From consolidated	Kirko 1380	Kina)
Timnores .	. 100 5;4	164 gan
Entings per diste	Il cents ····	- n cents
Although riving sales value showed a 22 per rep	Lingue (*C.) ye.	ara cost

the per sent in the year. It is expected that the control are included that costs beyond the company's control are not excessive.

T. W. BECKETT AND COMPANY LIMITED,

	Year end	ied-50 June
From consolidated financial systemetry	ROOD	, Room
Turnover, Profit alber taxation Earnings per ordinary share	66 570 1025	55 997 2 955 49 cens
	31 cents	25 сепь

The company was able to take full advantage of the improved economic conduious in the country and enjoyed record sales in all the main sectors of its market. In order to meet auticipated dynamic as abbytantial announce of canadal expenditure is being undertaken at the company's leanded works and provided the adverse effects of inflation are contained improvement in profits are expected during the current seat.

CEREBOS FOOD CORPORATION LEMITED

Monafacture and distribute of pace out?

The business of Food Composition Per Limited which was a wholhow ned subsidiary of South Atlantic Corporation Temtred, was recreed with that of Coreboo Africa Limited with effect from 1 December 1979 and South Atlantic flow pairs 37 per cent of the merged operations. A and your Alance more ware some length of the merger markets as taxed profit of R219 000 was garned for the 11-mergin period ended 50 June 1950. However, during the law quarter of the very limitation results here most encouraging and it is expected that the current year's profit will show that the decision to merge was justified.

GLOBE ENGINEERING WORKS LIMITED Manne, electrical and general engineer

	Year en	ded 10 jun
From consolidated financial statements	Rrajo 195a	800 Ja2
Profit after taxation Earnings per ordinary share Dividend per ordinary share	2.375. 71 ccrus 35 cents	; 90 31 - em 27.5 - em
Resides from manne-related activities showed over those of the previous year. These, hower the losses of JAMES BROWN & HAMER LIMIT aggravated by the product of aggravated by the product of aggravated by the product of the production for	TED SUSSIER	le offer b

and the resultant unrestablic as to its linear. The sale was a millioned in September 1980. The product of SHIPNRIGHTS AND ENGINEERS HOLDINGS, LIMITED improved slightly and although marine turnover increased, work from the mining and inciparial sectors as boxer.

CONCENTRA LIMITED

The effects of higher tonnages of raw material processed and better realisations from export sales are reflected in an improved profit after taxanon of RSIS 000 1979: R320 000. Although intre has been a downward trend in available offal recentir, the position is experted to recover in the summer mooths and a similar level of profit is projected

CONSOLIDATED GLASS WORKS LIMITED . Unnufactures of glass, playing and corrugated board packaging, and of plass solves are not a procusor of industrial sites sands

IC.Industries achieved record

For nine months of 1980, sales

sales and income for both the third-

of more than \$3 billion represent a

Income from continuing operations

totaled \$76 million, up 25 percent.

In the third quarter, sales

1980 continues to be a good.

of 1979. Income from continuing

year for the Company, despite the

. 11 percent.

increase its third-quarter pretax

income by 11 percent over 1979.

refrigeration and environmental:

share of domestic and foreign

equipment, continues to increase its

by Pet Inc., the Hussmann

Consumer Products income up

- Excellent third-quarter results

Corporation and soft drink operations

helped IC Consumer Products

Hussmann, a world leader in

economic slump.

operations was \$30 million, up

And income per common share increased 33 percent.

quarter and nine months of 1980.

·4 * 87 * : 12 * 14-Profitation tassition Eattings per share
Dividend per share \$277,0000 at 12.2 Aus eins Departed to the group's products was browned and seles, collines increased analyseds. The higher number, regular with limber productivity gains and ongoing consumment countibated to profit growth. Prospects for further growth in the current year are favourable. In outer to preceipt opened demand for glass backaging, a new glass container plant is being created at Olifanislomein. The minial phase is estimated to you R35 million and the second phase, planned for 1988.

will cost a further R16 million, all of which will be timanced by the company.

NATIONAL BOLIS LIMITED

	Year end	led 30 June
Front consolidated	1980	19:9
Innancial statements	R000	RINIO
Turnover	51 740	39.149
Profit after taxation		1-992
Earnings per codinare share	79 cents	40 ceins
Dividend per ordinary share	25 cents	16 cents

increase in purpover and profit is anticipated in the current vear-STEELMETALS LIGHTED

Year ended 30 june tinancial statements. 133:595 49 2180 Environge per share 70 cents 35 cents record compart was attained. Profit from marketing and contracting operations tose strongly but was somewhat offset by a loss on the group's new activities of builtie out plant. Measures have been taken to rectify this

expected in the cuttent year. CLAPDE NEON LIGHTS 'S.A. LIMITED

nenning at a contract the second and the second	f ,	_
From consolidated) ear end 1950 R000 -	led 30 June 1419 Roon
Profit alter taxation Enrings per ordinary share Dividend per ordinary share	1 799 12.5 cents	1 210 21 cems 3.5 cems
The sub-capital increase in consumer in advertising budgets and the company in the consumer in demand for nemeroes with the company obtained in addition the company obtained in addition the company ob-	pairs benefited from the waters. Benefits were gar- nemes stemating from the	e readiam aned from the loaded

and, with original buoyani demand, a limiter improvement in results is

Valiant sign rental contracts argumed in the previous year and from the introduction of the Identifier authors then come in this wish demand has not statemed, profit growth in the threen year is expected to feture to more normal levels. DENVIR METAL WORKS PROPRIETARY LIMITED

Producer of nin-ferrous custings, redressions and stompings.
Demand for the company's products improved during the year and

turnover increased appreciably. This together with the acquismon of the business of Protes Serap Metals. Pro Limited in Nevember 1979, cultured results and consolidated taxed profit increased from RLI. ntillion in 1979 to R1.7 million in 1990. Work has communiced on the effection of a new factors at Boksburg heywhild all operations will be is a sale treat. Phis interest from the present cramped premises will enable the company's activities to be expanded.

SOLTH AFRICAN FINE WORST DS (PROPRIETARY) I MITTEL .

Memphanic of fine quality most of the high statement of the penetration in the formula of the penetration in the control of the penetration in the control of the penetration in the control of the penetration in the penetration of 25 per control of the penetration of the penetrat with the previous year, and a profit after governed of RL2 (inflient 4979); "RL2 (inflient), Thring they year also compare acquired a 70 per sent interest in 1 mercal, kinners and Womers (Proportion 1 Inflient) and the results of that subsidiars's operations have been satisfactors and cucromaging. Consolidated justed profit for the year one RL4 (inflient) Further progress hoth in the win stedy and curranning markets is expected during the contingareat.

TRISTEL HOLDINGS (PROPRIETARY) LIMITED

Traditic rouditions were lanceaut but prices remained been. Domestic and export sales increased substantially and together with economies scale associated with the larger rounages, resulted in taxed proto-increasing to R3.6 million 1979, R2.1 million. A lumber prom-: ... improvement is expected in the cuttent year. ... _. E.I.ROGOFELLVITTD_____

This company has now ceased trading preparatory to a collaborary winding-up. Revenue was derived mainly from the collection of ourstanding commissions and interest received on tunds on deposit. Taxed profit for the teat, before extraordinary news, amounted to R158 000 (1959; R2000m) loss. COMMINE CARGO INVESTMENTS LIMITED

At part of the planned growth of the group's forwarding and clearing activities, operations were combined with those of Clear Forwarding Limited with effect from a July 1979 and the company new owns 51 per company to the company to cein of life cultiged operations. From after ussation for the sear was substantially higher in R571 and 1979; R116 4011 and although butter market penetration is expected in the current year, the impact of taxation will result in reduced after tax profits for 1981.

ANGLO-ALPHA I MITTED

Cement, time industrial rangent	-and stone age-	egate growing		
**************************************		Six months e	nded 50 June	
•		1980	1979	
Faram consolidated		1112	เลษปกคป	
financial statements		** Roco	2000	
Tilliover.		\$5,192	63.653	
Profit after taxation		6614	3 150	
Eatings per slane		$22.0 \cdot \epsilon_{108}$	19.5 cents	
Dividend per share	<u>.</u>	28 34 45 orașis	7.5000000	
Croins raved entitings for the a 119 per cent improvement however, a paintential blow all many districts in the greenest aliceson being the matter the hopbling and construction.	prover the sap activity period group-have re alor counting wespiter, Gro	perpetroit last sea dan the constructi quotied maprosed or date withe stroi up condings for the	r which was, ion industry, i profits, the ig up-mge in excessid ball	
nl;}980;prejegej ted; jo polje	wr's mithred it	moleschiert ou m	ادبيم عجابة بهن	

ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT COMPANY, LIMITED

Registered Office: Airgiotaal House, Anglo-Transcast Interest mered, 56 Main Street, Johannesburg. Landon-WIR SST The Annual General Meeting of the Company unil be held at OPhio on 21

Accember 1980 at the registered office of the Cimearn.

EMS 5

EURO-C.U:

INTERRE

Eur

Birds Eye and Walls join forces

Unilever's two big UK frozen views about closure of plants," food products companies, Birds and if redundancies did occur Eye Foods and Wall'a Ice Cream, in future that would not be are to come together in a joint because of the new company company from January 1, 1981.

6: Known as Birds Eye Walls, it will be responsible for integrat. 9,500 pedple in six factories and ing the two companies, bringing Walls's, with two plants, employs operations in the UK in line with

The

in other European Walls said last night that the only effect on manpower might joint company's vice chairman be the transfer of some of Wall's for a few months, before moving administrative staff from the elsewhere in the Unilever group. bead office at Gloucester to the new joint beadquarters at Walton

The joint company had "no a

structure.

Birds Eye Foods employs a 40 per cent interest. Walls's, with two plants, employs

The chairman of the new company will be Mr. Don Angel, the Birds Eye chairman. Mr. Hugo Mossel, of Walls, will be the

MIDLAND BANK Financiadora General Motors, subsidiary of General Motors

cent shareholding in Banerindus Midland Arrendamento Mercantil SA, the Brazilian leasing company in which Midland Bank has

WALKER LUNT ATTRACTS BUYERS

Over 50 polential buyers have. expressed interest in the industrial hygiene manufacturer and distributor. Walker Lunt, to which a receiver was appointed a fortnight ago at the request of

its parent, Talbex Group. The receiver, Mr. Christopher stand to total some £700,000. Morris of Touche Ross, is now heing given reports from the expected early next week.

Lunt on a going concern basis. The subsidiary is esignated to have lost around £700,000 in the year to July 31, 1980 but the proposed aales has attracted unusually bigh interest, including investigation by most of the leading quoted companies in the

The Talbex share price fell ip to 41p vesterday and has been unsettled by the inter-group agreements which guarantee nearly all Walker Lunt's secured debts of £1,2m-£1,3m. Unsecured creditors' halances are under The first formal offers are

600 Group offer for Startrite Engrg.

THE 600 Group, the machine the year ended June 30, 1980 of increasing its holding to 128,000 tool manufacturing and enginered products and services proposed for sayment on Commercial Union Assurance concern, bas emerged as the bldder for Startrite Engineering

The offer has been agreed by the Startrite Board. The 800 Grans offer values the ordinary shere Startrite at £2.16m. ordinary capital

Under the terms of the hid, Startrite shareholders are being nffered 72p in cash for each of their shares and 105p in cash

they told in Startrite.

The directors of Startrite and their financial advisers, E. B. Savory, Milln and Co., consider that the terms of the offer are fair: and reasonable and the directors of Startrite "strongly recommend all shareholders to

far the directors Startrite and the executors of the late Mr. N. J. Vardigans, holding in aggregate 1.54m nrdinary shares and 34,797 preference shares (which rapresent 51) per cent and 8.7 per cent of the issued ordinary and preference capitals respectively. tively)

accept the offer Acceptors of offer will he entitled to receive and retain the final dividend for

CARR BOYD

"RIGHTS"

EXTENDED Carr Boyd Minerals Ltd. advise shareholders of a one week exten-

The new closing date is the 11th

November, 1980.
Terms of the issue which will raise \$AA.7m. are two shares plue atteched = o aption for every four-at a price of 50c each—a premium of 30c on the par value. The options can be converted on payment of 50c at any time up to 30th June, 1982.

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City of London Financial

City of London Financial Public Relations,

London EC2M 1QY. 01-628 5518

Year cnded 30th June

of their recently announced a issue. Postal delays have

1.37p per ordinary share proposed for sayment on November 28, 1980.

Acceptors of the preference offer will be entitled to receive and retain the dividend for the half year ending December 31, 1980 of 5.5p per preference share payable on that date.

The 600 Group intends that the business of Startrite will be continued and developed and that the interests of employees tincluding existing pension for each 11 per cent cumulative entitlements) will be fully safepreference share of £1 which
they sold in Startrite.

IRISH SHELL PREF. CAPITAL ACQUIRED Shell Petroleum to make an offer for the preference capital of Irish Shell comprising 120,000 redeemable cumulative 41 per cent shares of IR£1. Terms are £1.05 cash for each preference

CHAMBERS & FARGUS Mr. Harvey Micbael Ross has increased bls holding in Chambers and Fargus to 463,000 shares (12.9 per cent), against an isued total of 3,570,000 sbares.

SHARE STAKES: Catalio-E. F. Robbins of New York has purchased further

acquired 200,000 ordinary shares bringing its total Interest to 20,571,000 shares (5.005 per cent). MIFI-Mr. D. S. Hunt, director, disposed of 10,000 shares on October 24.

Central Manufacturing and Trading Group—Caparo Group has acquired a further 75,000 shares, taking its holding to 2,925,000 shares (11 per cent).

MFI Furniture Group—Mr.

E. W. Lea director, has disposed of 7,000 shares.

London and Gartmore Investment Trust—Hampshire County Council superannuation fund has increased its holding to 355,000 Ordinary, representing 8.352 per

Arrow Chemicals' Holdings-Mr. J. K. Farrow, director, has disposed of 100.000 shares.
Foseco Minsep — Sir Eric Weiss, director, has disposed of 20,000 shares.

First Castle Securities-Connor Finance has sold 300,000 shares, reducing its holding to 2,192,530 sbares (33.65 per cent). Mr. John Smith director, is sole trustee of the trust, in which he holds no beneficial interest, that holds all the shares in W. J. Cooper Finance.

recently sold 1,400,000 ardinary, thus eliminatiog its bolding in

company. Guinness Peat—Mr. R. A. W.,
Caine, director, has disposed of
a beneficial interest of 60,000
ordinary, and a non-beneficial
interest of 35,000 ordinary at a
price of 125jp per sbare.

SIR JAMES FARMER NORTON

Agreement bas been reached Sloy Hayward and Partners, receiver of Sir James Farmer Norton and Co., Messrs David and Charles Norton directors of the company, for the sale of its goodwill designs and order book. Finance for the new company, Sir James Farmer Norton and Co: (International) has been provided by a Swiss banker and a French lovestor as well as the previous family investors. At the same time the receiver

has reached a preliminary agree-ment to sell part of the com-pany's works to Salford Council who will lease it back to International, giving them an option to purchase at a later date. International will continue to manufacture and market the

same range of equipment as hefore-including lextile finishing and metal working macbi-Connor Finance. nery It will also provide spares
Sizewell Eoropean investment and service for machines pre-It will also provide spares ordinary shares in the company, Trust—London Trust Company viously supplied.

Standard Life beats its target

Company, the largest life tocrease, but the international company in Scotland, reports a fund at £1.15m rose by 19 per for ils unit-linked life operations. Total funds under management over the 12-month period to October 29, 1980, amounted to £16.84m compared with the

least £15m. The company offers five separate funds, plus a managed fund investing in units of these funds. The fixed loterest fund amounts to £7.75m with a onlt price rise of 19 per cent over the year, with the UK equity fund amounting to £5.89m

In price.
The property fund reached

- · £

4,200,000

.(10,737)

16.837

(27,574)

38,000

Sanderson Murray & Elder

(Topmakers & Combers)

Trading results before depreciation improved compared with last year by some £70,000 after interest costs higher

We are experiencing the worst recession the industry has known for many years. This improvement bas been achieved

by attention in economy of operating costs, improved plant

4_g15_000

16,675

by £34,000, and there was an increase in sales

agalost a decline in the overall market.

Profit/(Loss) before Tax

Profit/(Loss) after Tax Dividend 2p per share (1979-2p)

The company entered the extended its product range by unit-linked field by first launching a single premium marketing a single premium personal pension bonds, again bond, followed a few mooths for the self-employed.

payment pension contract for the self-employed and it has now. extended its product range by

English Nat. Investments

after tax of £38,554 against respectively. £29,887. Stated ear

The Interim dividend on the ordinary share preferred ordinary shares is are 1.28p (1.13p) and 2.69p raised from 1.01p to 1.05p and (2.06p) per deferred ordinary from 1.59p to 1.75p 00 the defer-share.-

For the half year eoded red ordinary, both payments September 30, 1980, net reveoue being to reduce disparity. Totals of English National Investment last year on the two classes of Co. rose from £63,724 to £79,681 shares were 2.23p and 3.02p.

Stated earnings per preferred

BANK RETURN

BANKING DEPARTMENT 1,012,348 93,996,896 73,092,286 34,246,161 641,661,504 587,236,934 1,278,827,599 + 12,885,262 es Equipment & Other Secs 1,878,887,599 + 19,885,962 DEPARTMENT 10,125,000,000 10,119,969,508 5,030,692 16,122,658 16,122,658

> 11,015,100 40,887,526 7,840,887,5a0 2,264,0a7,604

10,195,000,000

68,166,68 68,166,68

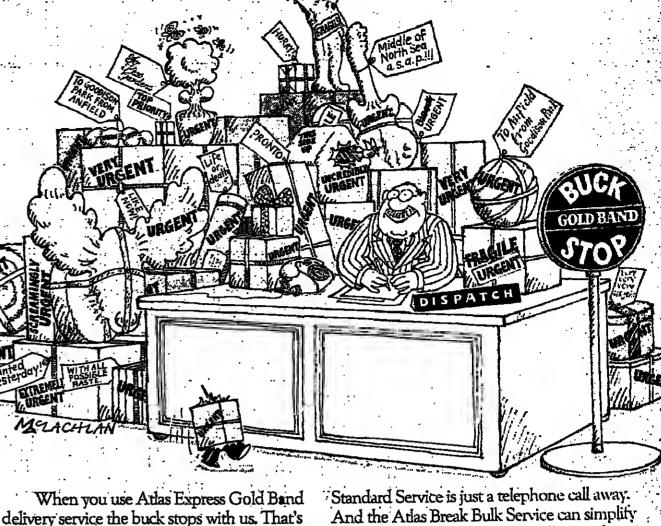
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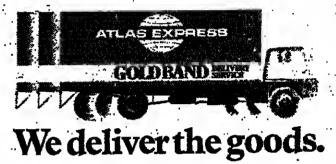
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In his annual statement to shareholders the Chairman. Mr. W. T. J. Griffin, assessed the prospects for future investment in

The authorities continue to run Japan on a controlled basis with a view to promoting real economic growth and reducing inflation. The Japanese content of the portfolio has been substantially increased and is grouped around four main areas: specialist capital goods manufacturers, drugs manufacturers, financial companies and specialist electrical producers.

The future is viewed with great confidence. In the long term, Japan is likely to be a rewarding and exciting area for investment."

For copies of the Trust's Report GT Japan and Accounts, please write to: GT Management Limited Park House, 16 Finsbury Circus, London EC2M 7D].



هكذا من المعمل

VALUE DF

COUNTRY

Dollar improves

The dollar gained ground in the foreign exchango markot yesterday, rising quite sharply in late European trading as a result of demand for the U.S. currency in New York. Its franc moved ebovo its calling trade-weighted indox, on Bank against the D-mark in early trade-weighted indox, on Bank against the D-mark in early trading but came back to from \$4.9. The dollar finished near tha best lovel of tho day against must major curroncies, closing at DM 1.8980, compared with DM 1.8985 against the D-mark, after touching DM 1.8995. It reached a peak of SwFr 1.7130 in tarms of tha with DM 1.8855 against the D-mark, after touching DM 1.8965. It reached a peak of SwFr 1.7130 in tarms of tha Swiss franc, and finished at SwFr 1.7110 against SwFr 1.6960. The highest point touched The highast point touched against the yen was Y210.50, and the doklar closed at Y210.40, compared with Y210.

The potind opened at \$2,4400. \$2,4410 and rose to a best level of \$2,4440-2,4450 just before midday. In the sfternoon sterling fell to \$2,4350-2,4360, and closed at \$2,4380-2,4390, a fall of 30 points on the day. There was little market reaction to the expected annuncement of an unchanged Minimum Lending Rete. Most attention con-tinued to cantre on the D-mark, which required support from saveral central banks to bold it within EMS agreed limits.

D-MARK — Second weakest member of the European Monetary System and lower against the dollar on interest ratas differentials. The German curroucy has recently been et its lowest permitted limit against the French franc within the EMS. and around e six munth low. against the dullar and a four-year low in terms of sterling. Tha D-mark remaloed weak at yester-

fixing abaad of the announce-ment on MLR.

FRENCH FRANC—Very firm, near or at the top of the EMS—The franc lost its position as the strongest member of the EMS to compared with Y210.

Sterling's index, as calculated by the Bank of England, was unchanged et 79.0. after npening at 78.9, and rising in 79.0 at noon.

The pound opened at \$2.4400.

The pound opened at \$2.4400.

\$2.4410 and rose to a best level of \$2.4440-2.4450 just before midday. In the sternoon occurred in strongest member of the EMS to the Dutch guildor yesterdsy. The Dutch guildor yest oconomic performance keep the yen firm despite speculation of an imminent cut in the Bank of Japan discount rate—The yen romained firm in moderate
Tokyn trading as the dollar fell
to Y209.70 from Y211, after
opening at Y209. Comments by
the Govornor of the Saudi country's intention to continua

investment in Japae depressed the dollar to e low of Y208.90 in the murning. Later in the day the U.S. curroncy recovered sightly, partly reflecting dullar purchases for import covering. It was stated in Tokys yestorday that dospite the grawth of the yan in foreign central bank reserves less than 30 per cent of Japanese exparts are settled in yan, and only a faw par cant of imports, with the dollar remaining by far the most day's Frankfurt fixing, with the remaining by far the mist Bundesbank selling \$19.15m to important currency in trado push the dollar down to settlements.

EMS EUR	UPEN	ut CON	DEIAC	CIALL	PAR I E
	ECU central yates	Currency emounts against ECU October 30	": chango Iram central rate	% change adjusted for divergence	Divergence
elgien Franc	39.7897	61.1210	+3.35	+1.01	±1.53
Danish Krone	7.72336	7.90465	+2.35	+0.01	_ 1.64
Cermen O-Mark.	2.48208	2.56544	+3.36	+1.02	±1.125
rench Franc	3.84700	5.91312 .	+7.13	-1.21	± 1.3557
urch Guilder	2.74362	2.77281	- +1.06	-1.28	+1.872
risk Punt	0.668201	0.683672	+2.32	-0.02	+1.668
talian Lire	1167,79	1214.32	+4.88	+2.62	±4.08

THE POUND SPOT AND FORWARD 2.95 1.00-0.90 pm 1.56 5.01 2.00-2.90 pm 4.11 7.20 2.8 pm 6.80 4.37 82-72 pm 4.15 3.00 51-41 pm 1.33 3.12 0.32-0.57 pm 1.33 7.77 51-81 pm 7.45 — 5-73 dis — 1.09 — 5-73 dis — 5.12 5.22 121-107 pm 3.83 5.63 14-13 pm 5.07 0.38 1-17 die — 5.52 7.89 8.00-8.55 pm 6.84 4.77 37-32 pm 4.22 11-50 112-103 pm 10.54 Nethind. Belgium Osnmeik Ireland W. Ger.

THE DOLLAR SPOT AND FORWARD

	Day'a			4		%
Oct. 30	Spread	Close .	One month	p.a.	months	p.a.
UK†	2.4350-2.4450		0,63-0:53c pm -		1.00-0,90 pm	
freeleadt	1.9770-1.9698	1,9770-1,9800	0.25-0.35c dis		0,55-0,65dis	-1.27
Consda	1.1750-1.1280	1.1757-1.1780	0.23-0.18c pm	2,10	0.77-0.72 pm	2.53
Nethind.		2,0475-2,0485	11,82-0,72c pm	4.51	2.77-2.67 pm	5.31
Caulgium	30.172-30.42	30.40-30.42	8-47 ₂ c pm		20-17 pm	2.44
Denmerk		5.8385-5.8400	0.65-0.15are pm		par-0.50 dis	-0.17
W. Got.	1.8830-1.8965	1.8975-1.8985	TL82-0.76pf pm	4.99	2,92-2.86 pm	3,0
Portugal	51.05-51.40	51:30-61,40	7-170 dis			-2.84
Souln	74.95-75.10	75.05-75.10		-10.79		-10.5
italy	892,40-895,25	894,75-896.25	41-51-lire dis			-9.8
Norway	4.9415-4.9485	4,9450-4,9470	1.05-0.55ors pm		2.90-2.40 pm	
Frence	4.3450-4.3895	4.3875-4.3895	1.17-1.07c pm		4.10-3.85 pm	
Swedon	4.2300-4.2450	4.2425-4.2436	D.55-0.70ore die		1,55-1,70dis	-1.5
Jepan	209.00-210.50		0.70-0.50y pm		2.75-2.60 pm	
Austrie	13.331 - 13.404			2.18	2.75-2.25 pm	2.8
	1.6940-1.7130	1.7105-1.7118	1.35-1.30c pm		3.89.3.84 pm	
Switz.			1.S. currancy. Fo			

Det. SD		Morgan Duaranty Changes	Cot. 22	Benk rate		Eurapean Currones Unit
Sterling U.S. dollar. Canadian dollar. Austrian schilling. Beiglan franc. Danleh kroner. Deutsche merk. Swiss franc. Cuildor. French Tranc. Lira. Yen. 2222d on trade wa Washington agreed	150.2 115.0 103.2 148.8 193.4 124.6 26.9 61.3 137.5	-8.5 -18.0 +25.2 +11.6 -7.0 +40.5 +78.1 +19.0 -7.0 -520. +34.9	Sterling	11 11.75 634 12 11 714 1314 1314 18.25	1,29422 1,51967 17,2591 2,2721 17,64854 2,45161 2,65121 5,65956 1159.32 273,080 6,41027 17,1457	N. 555265 1. 46597 1. 59340 18. 1903 41. 1466 7. 89850 2. 55752 2. 77708 5. 41472 1214.45 285. 177 0. 71881 101.867 5. 76109

Det. 50	£	٠.,		\$			Note Rates
Argentina-Peso	4747-47	37				Austris	
Australia Dollar	2.0775-2.0	815				Bolgium	
Brazil Cruzolro	147,30-148	.30	60,4	8-6	0,69	Denmark	14.17-14.2a
Finland Markke		2	3.730	ю.	5.7310	France	10,60-10.70
Greek Drachma			42.5	15	13,10	Germany	4,31-4,65
long Kong Dollar	12.34-12.	36	3.061	0	5,0630	Italy	2190-2250
rah Rial	R.S.			8.8		Jepan	512-51e
(uwalt Dinar(KD)			0.258	35.4	.2684	Natherlands	4,98-5,02
uxembourg Fra.						Norway	12,05-12,17
Majaysia Dollar			2.145	36.	. 1445	Portugal	1212-138
New Zenland Dir.	2 4025.2 4	175	1.082	25-1	.0835	Spain	
audi Arab. Rival		2	3.315	10.	3801	Sweden	10,33-10,45
ingapora Dollar.						Switzerland	
th. African Rand						United States	2.434-2.443
J.A.E. Oirham		3	3.386	5	6800	Yugoslavis	

touched a peak of \$647-648. In Paris the 124 kiln gold bar was fixed at FFr 91,750 per kiln

(\$655.87 per nunce) in the after-

noon, compared with FFr 90,925 (\$648.78) in the morning, and FFr 90,900 (\$648.84) Wednesday afternoon.

In Frankfurt the 124 kiln bar was fixed et DM 39,045 per kiln

(S644.00 per cunce), compared with DM 38,285 (\$644.51) previously, and finished et \$642.644 against \$843.645 on Wodnesday.

In Zurich gold closed at \$541-\$544, compared with \$542-545

Oct. 22

(\$263.26414) (\$260.26114) (\$263.567) (\$263.589)

previously.

Oct. 30

Gold Buillon (fins ounce)

houses were slightly short of funds towards the class and paid up to 151 per cent to balance their bnoks. Earlier in the day 161 per cent was paid for 161 per cent.

EXCHANGE	CROSS	RATES

Dct. 30 · ·	PoundStarling.	· U.S. Dollar	- Deutschem'k	Јарал'се Үсп	FrenchFrenc	Swiss Franc.	Dutch Gulld'	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling	0.410	2.432	4.830	313.3	10.33	4,173	3,000	2185.	2,872	74.15
U.S. Pollar		1.	1.899	210.6	4.369	1.711	2,050	296.2	1,178	30.41
Deutschemark Japaneso Yen 1,000	n.213 1,948	0.627 4.751	9.021	· 110.D	2.301 20.76	6,901 8,130	1,080 2,742	472,0 4258,	. 0,620 . 5,595	15.02 144,5
French Franc 10	0.989	2.222	4,345	481.7	10	8.D16	4,693	2051,	9.605	69,59
Swiss Franc	0,240	0.584	1,110	123.0	2,554	1.	1,192	523,8	0.682	
Dutch Guilder	D.200	0.488	0.225	102.7	2,181	0,235	2,288	437.1	1,574	14.83
Italian Lira. 1,000	0.452	1,116	2,112	254.8	4,875	1,209		1000.	1,514	35.93
Canadian Doller	0.346	0,842	1,312	176.7	3.711	1.453	1,741	781.1	3.275	25,82
Belgian Franc 100	1,348	3,289	5,244	692.2	14,37	5,627	5,743	8947.		100,

FT LONDON	INTERBANK	FIXING	(11.00 a.m.	OCTOBER	30)
THE RESERVE AND ADDRESS OF THE PERSON NAMED IN	Name and Address of the Owner, where the Person of the Owner, where the Owner, which is the Owner, where the Owner, which is the Owner, where the Owner, which is the Owner, which				

3 months U.S. dollars	1	5 months U	J.S. dollars	The fixing rates are the erithmetic mages; rounded to the pages; eas shreentled the bid and offered rates for \$10m quoted by the market to five reference bank
bid 14 8:4 offer 147/8	-	bid 14 \$14	offer 14 7/8	 et 11 am sech working day. The banks are National Westminster Bank, Bank o Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan, Geranty Trus

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

Oct. 30	Starling	U.S. Dollar	Canadien Doller	Dutch Guilder		West German Mark	Fronch Franc	Hallan Lira	Asian 6 Impanese Yen
7 days' notice. Month. Three months	171:-171; 171:-171g 17:-171g 17:-171g 123:-161g 161g 163g 141g 18	133g-135g 131g-153g 131g-154g 131g-141g 141g-141g 145g-15	101g-111g 101g-1112 111g-117g 121g-121g 125g-125q 125g-125q	8 1 2 1 4 2	10-12 134-2 438-412 538-512 54-514 34-513	9 14 - 9 15 27 14 9 67 12 2 67 12 6 61 14 61 14 61 13 13 14	10% 10% 10% 11 10% 11% 11% 11% 12 12%	14-17 1914-811 20-21 2114-2214 2114-2214 2114-2214	521-394 21-101- 151-156 24-104 151-156 24-104 151-156 24-10 151-166 85-97 151-166 37-84

Long-term Eurodoller two years 131-131, per cents three years 131-131, per cent flour years 131-131, per cent nominal closing releasing flowing rates are call for steeling. U.S. dollers, Canadian dollers and Japanese year others two-day's notice. Asian rates are closing rates in Singapore. The following nominal rates were quoted for London dollar contributes of doposit one-month 14.15-14.25 per cent; three-months 14.65-14.75 per cent; one year 13.90-14.00 per cent.

INTERNATIONAL MONEY MARKETS

Europe rates ease

European short term interest ratas showed an easier trend yastarday, with Paris call money remaining at the 13-munth low of 102 por cent touched Wednasday, while term rates wera also unchanged aftar easing the previous day. In Frankfurt retes declined, following tha upward trend on Wednesday, as tha D-mark cama under pressure in the European Monetary System. The Garmen currency required European Monetary System. The Garmen currency required further support yesterday, but domastic rates easad, with csli money quoted et 8,90-9,10 par cent against 9,00-9,10 per cant. One-month fell to 9,15-9,25 per cent from 9,20-9,30 per cent, and 12-munth to 8,80-9,00 por cont from 8,90-9,05.

In Zurich rates were gener ally down by i per cept, whils banks financed mooth-end posi-tions with little difficulty, thanks to an injection of funds from

Swiss rates are expected to firm slightly next week, reflecting rapayment of month-end funds supplied by the Natinnal Bank, while the unward trend in U.S. rates will probably be an influence. The next two months are usually times of firmer rates as hanks menere their books for as banks prepare their books for the end of the year, and there is also a drain on liquidity through

MUREY RAILS		
NEW YORK Prime Rate Fad. Fund Treasury Silbs (18-week) Treasury 2rils (28-week)	14 ¹ . 134-14 12.55 12.70	
GERMANY Discount Rate Overlight Rate Une menth Three months Six months	7.50 9.00 9.20 9.225 11.00	
FRANCE Olacount Rate Discount Rate One month	9.5 10.75 11.0625	

JAPAN

the seasonal rise in the note circulation. In Amsterdam rates continued to easa yasterday, influenced by tha strength of the guilder against the D-mark within tha EMS. Gold fell 51 to \$541-644 in the London bullinn market yesterday. It opened et \$540-643, remaining firm on the unresolved problem of the U.S. bostages, and was fixed at \$643.50 in the morning and \$342.50 in the afternoon. The metal opened around the lowest level of the day, and

UK MONEY MARKET **Further** surplus

Bank of England Minimum
Lending Rate 16 per cent
(from July 3, 1980)
Day-to-day credit was in good
supply in the Londnn muney
market yesterday, and although
the euthorities absorbed part of
the surplus, banks are again
expected to bring forward ebove
target balances. Banks carried
over surplus balances from
Wednesday and the market was
elso belped by an excess of
Government disbursements over
revenue paymonts to the revenue paymonts to the Exchequar. These outweighed

the unwinding of a salo and re-purchase agroament on eligible bank bills.
The Bank of England sold a very small amount of Treasury

LONDON MONEY RATES 17-135, 161-1636 ha 15-6-164 18-6-1646 14-8-1446 14-8-1446 17 17

Gnld fell \$1 to \$541-544 in the

Local authority and figures houses seven days' notice, othern seven days fixed. Long-term local-authority mortgage rates nominally three years 13%-14% per cent: flour years 13%-13% per cent; five years 13%-13% per cent. OBank bill rates in table are buying rates for prime paper. Buying rates for lour-month bank bills 15% per cent; four-months trade bills

15% per cent.

Approximate solling rate for one-month Treesury bills 14% per cent two-months 14% per cent three-months 14%, per cent. Approximate solling rates for one-month benk bills 16% per cent two-month 16% per cent; three-month 15% per cent; one-month 16% per cent; two-month 16% per cent; three-month 15% per cent; one-month 16% per cent; two-month 16% per cent; three-month 15% per cent; two-month 16% per cent; three-month 15% per cent; two-month 16% per cent; three-month 16% per cent; two-month 16% per cent; three-month 16% per cent; th

WORLD VALUE OF THE DOLLAR

COUNTRY

The table below gives the rates of exchange for the u.o. noner equalst vertous currencies as all Wednesday. Dictober 29, 1960. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign that the currencies are quoted in foreign and the currencies are quoted in foreign that the currencies are quoted to th

Agent	- COUNTRY	CURRENCY	DOLLAR	COUNTRY	CURRENCY	DOLLAR	COUNTRY	. GURRENCY	DOLLAR
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Angelon Contribute 1	to do -	French France		Cuam.	U.S. S	4,5622	Paoples 0. Rapub.		•
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Austria	Antigue	Caribbean 5		Guinea Republic	Syll	10,0549	Pitcairn Islands	NZ S	
Austria	Australia An	gendies &	D.8511	Guyana	Guyanese ş	2,5446	Poland	Zioty (O:	31.00
Schemis Sche	Austria So	hilling	13.545	Naiti	Gourda	. 7.00	Portugal	Port-Escudo	51,20
Schemis Sche	Azores Po	rtug. Escudo	51,20	Honduras Repub.	Lempira	2.00	Buarto Bloo	Timor Escudo	n.a.
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Senith	Beliza Be	Ilza S	2.00	Iraq	Iraa Dinar		St Nalona	Pound*	2.4411
Sermuda	Benin C.	F.A. Frano !	212.11	Frieh Republio	Irish Punt*		I ST. LUCIO	E. Caribbaan 5	2.7025
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*U.S. dellers per National Currency unit. (II) Official rate. (C) Commercial rate. (F) Financial rate. specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and (3) Egypt—A different rate applies to certain transactions with non-IMF countries.



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David Lascelles in New York reviews the U.S. banking scene

Interest rates cloud prospects

for U.S. banks in their 12-month major reporting banks were up of fluctuating interest rates.

in July, the prime rate was at high epreads, but better than 11 per cent, and everyone thought it would reach single ter. digits by the end of the year. But when the quarter closed in September, the prime was bock at 13 per cent and heading lities. Those who funded them-upwards. This alone indicates selves beavily during the midwhat a testing quarter the banks summer through in interest have just been through, quite apart from the uncertainties

about the economic recovery. All this had quite an impact on bank earnings. At one end of the scale, the more fortunate banks like First National of Boston and Bankers Trust manoged to record gains of 50 per cent or more. Others lika J. P. Morgan—parent of Morgan Guaranty—and Chemical were in the middle of the field with 20-30 per cent gains. But the biggest banks in the industry. Citicorp. Bank of America and Manufecturers Hanover Trust could only achieve percentage earnings growth in the single

Bankers Trust's good performance was attributed by Mr. Alfred Brittain, the chairman, to higher net interest income, as well as higher commissions and other income. But m addition to operating income the bank was able to record an exceptional gain of \$9.2m on the sale of 13 branches in and around New York.

According to M. A. Shapiro and Co., the Wall Street broker which specialises in bank stocks.

long struggle to keep ahreast 9.5 per cent, down from 21.4 per cent in the second quarter, When the third quarter began when interest rates brought the 6.3 per cent of the first quar-

> These variations had a lot to do, of course, with how successfully banks managed their liabirates dld better than those who failed to spot the upturn which came at the end of July.

> Among the banks who re-ported wider interest margins were Bank of America which said it had managed to replace higher cost sources of funds obtained early this year with sources obtained at a lower cost during the steep interest rate declines around mid-year." The net interest margin for the third quarter, it said, was 3.60 per cent, up from the 3.19 of the first quarter. Bank of America, which has the largest branch network of any hank in the contry, also benefited from a large in6ow of consumer savings as yields on the competing money market funds slumped in

> mid-summer.
> Many other banks reported gains in net interest income as higher loan volume offset an actual decline in margins. This was the case at Chase Mauhattan where nct interest income was up 12 per cent in the third quarter, though the spread was down 0.6 per cent to 3.23

principally to a greater average interest-earning volume assets, less to a rise in net yields.

Citibank, whose yields were also squeezed, threw in its now femiliar complaint ahout the believed credit was tightening effect of "outdated" U.S. usury A lot of hanks are also lending laws which clamp a ceiling on the amount of interest a bank late husiness. can charge on consumer loans.

Banking results for the third quarter showed an uncertain trend. With the outlook both for domestic interest rates and the U.S. economy under renewed doubt. the banks face similar uncertainty in the final quarter

Citibank is haavily committed to the consumer market: loans out-standing in this area were compared to just over \$50hn in commercial loans, a high proportion by American

Manufacturers Hanover reported that its spreads had declined, but that it had still come out ahead thanks to a higher level of domestic and overseas lending.

Tha banks' ability to sustain B high volume of lending at a time when the U.S. economy was supposed to be entering a per cent. Similarly Morgan sbarp recession may itself say Guaranty reported that the risa a lot about why that recession

THERE HAS been little respite earnings from the first 100 in net interest earnings was due never really materialised. Some \$47m loan loss provision. Mr. for U.S. banks in their 12 marks and the strength of Sullivan had been expected to analysts think the strength of Sullivan had been expected to loan demand was deceptive: it move swiftly to clear up the may only represent a shift from mess left by his predecessors long to short-term borrowing And while he called the results among corporate tressurers who "unacceptable," he predicted that the provision would be at "more normal levels" in the below the prime rate to stimufinal quarter.

> First Pennsylvania, which got Even so, the high level of a \$1.5bn bail-out earlier this interest rates of the spring and year, posted an operating profit early summer clearly affected of \$760,000, butt he earnings corporate borrowers. Most statement was less than forthbanks reported fairly large incoming about what was bappen creases in loan loss provisions ing behind the scenes. recent resurgence in U.S. inthough, as things stand at the moment, this trough will be terest rates must have made life nothing like as borrific as that a little tougher for both First of 1975-76 when banks were foreclosing left, right and Chicago and First Penn. In fact, the whole hanking in

> dustry went into the final quarter facing uncertainties both over interest rates and the state Outside the lending business, the big international hanks conof the economy. Although the indications are that growth has tinue to reap good profits from their foreign exchange activapicked up, it is still not cfear ties. Chemical Bank's earnings whether the pace can be sus-tained, and if so, whether the this activity increased more than fivefold to \$24m so powers that be can prevent the far this year, while Morgan credit markets heating up again. doubled its earnings to \$50m. However, the wide swings in the bond markets brought worse news: several banks made size-

The next few months will also see the start of new banking rules which will relax restrictions on payments of interest on consumer deposits, and draw more banks into the Fed's serve requirement net.

Both will add to banks' most A couple of problem banks showed that they were straining of funds, though the impact will fall lightest on the large money centre hanks—particuhard to get back on track. First Chicago, which during the larly those in New York and ouarler got a new chairman in the person of Mr. Barry Sullivan New England who are already from Chase Manhattan, reported in the Fed net and who have been paying intarest on current a two thirds drop in earnings due almost entirely to a hulking accounts for some time.

Strike causes loss at Kennecott

By Our New York Staff

KENNECOTT CORPORA-TION, the largest U.S. copper producer, yesterday announced that it had returned to the red in tho third quarter with a \$51m

But whereas many ni its quartorly losses in the 1970s were the result of the copper glut of the time, last quarter its main problem was a 10week strike at its copper mines Mr. Thomas D. Barrow, Kennecott's chairman, said that most other domestic operations had earned lower profits because of lower demand, but that international operations posted improved figures. The strike caused production of refined copper in the third quarter to he 77 per cent below year earlier figures at 20,326 tons. The company's consolidated sales for third quarter were \$387.7m, 33 per cent below the 1979 third

quarter. In the first nine

months net profits were \$31.5m, down 60 per cent

Quaker Oats down 5% in first quarter

BY DAVID TONGE IN NEW YORK

QUAKER OATS, the Chicagobased food, toy and chemicals and crafts declined September 30.

with better food profits, the majer grocery store chain, Fisher Foods, showed it is still fighting an uphill battel when t posted net profits of \$1.8m in the 16 weeks to October 4. This was an improvement on a year before but given sales of Quaker posted 7 per cent increase in operating profits to \$53.9m on sales up 12 per cent sales hat to \$643m, but it bad to meet to \$15n. bigher interest payments. In the quarter, which is the first of its fiscal year, many of its products, such as ready to eat cereals, Aunt Emina syrup and pet foods, recorded volume gains, contributing to the 17 per cent rise to \$253.5 in its U.S. grocery products segment. Grocery sales abroad rose 29 per cent to \$154m, with Brazil

Sales of Fisher Price toys group, yesterday reported a 5 last year's \$133.3m to \$121.5m per cet drop in net profits to and operating profits from this \$22.7m in the quarter ended section dipped by 10 per cent to \$22.7m. Profits from U.S. But whereas it was partially grocery products were up 18 able to offset lower toy profits per cent to \$23m and from international grocery products up 90 per cent to \$9.5m.

The U.S retailers are generally expected to report lower figures for profits in the last quarter hut food stores have long been doing little more than trudge along. Fisher \$416m it is an indication of the Foods, which operates 140 pressure the recession and tight supermarkets, reported sales up margins are piling on retailers. from \$387m in the 16-week period, though in the first 40 weeks of the calendar yeer sales have only risen 2 per cent

 Consolidated Fooda Corpora-Consolidated Fooda Corporation. another major foods
group, yesterday said that net
profits for the current year to
June were likely to increase by
10 per cent to 12 per cent from
last year's \$127.7m, or \$4.12 a
share. It had previously reported a 10.8 per cent firstquarter gain to \$1.13 a share.
An increase in the quarterly
dividend from 44 cents to 47.5 Mexico and Canada recording dividend from 44 cents to 47.5

Bond prices continue to fall

good gains.

BY. FRANCIS GHILES

prices continued to fall yesterday. Prices were down by up to 1 point in the morning because of a wesk market in New York on Wednesday but there was a elight recovery lo the afternoon with prices closing i point down on average. Dealers reported a fairly good two-way market with some retail buying, mostly from continental European centres. The announcement from the U.S. that leading economic

STRAIGHT DOLLAR bond against 1.7 per cent in August had already been discounted Prices of foreign D-Mark bonds slipped yesterday by about 1 of a point but dealors said that no interest was expressed by investors, even at lower levels. The DM 200m 8 per cent private placement for Michelin which was lannched on Monday by Bayerische-Vereinsbank at a price of 99 was quoted yesterday in premarket trading at 974

The West German Ministry of indicators rose by 2.4 per cent Finance raised the yield on its at an annual rate in September five-year savings bondo yester- day but trading was thin-

day by 0.41 per cent to 8.66 per cent to bring them in line with vields on domestic D-Mark honds which have been rising steadily since last week. tobacco company is tapping the Swiss franc sector for a SwFr 100m 10-year issue

coupon is the lowest in this market since August. The secondary market for Swiss franc foreign bonds closed i of a point up on the

APPOINT

AV

poration. The 51 per cent

Thorn-EMI in U.S. video move

BY JASON CRISP

Britain, this week signed an agreement to set up three jointventure companies to attack the burgeoning videodisc market in the U.S.

Thorn-EMI is to take a 37 per cent stake in two of the companies and will be responsible for their management. The other partners are General Electric of the U.S., with a 25 per cent

Steady advance

at General

Reinsurance

crease in foreign subsidiary writings due to the inclusion of

the Trident Group of the UK which it acquired in April.

Domestic property and casualty

premiums were helped by the adidtion of a new large account

St. Paul Companies, the insurance group, saw earnings slip from \$113m or \$5.39 a ahare

to \$108m or \$5.15 a share in the first nine months of this

from \$1.3hn to \$1.47hn. Third quarter earnings improved from

Revenue edged forward

in the third quarter.

and Matsushita 121 per cent.

VHD Programs, which will buy programmes from film and television companies for distribution, VHD Manufacturing which will make the videodiscs and VHD Electronics which will manufacture and sell the videodisc players.

The four partners said that which has also been adopted by between \$20m and \$30m.

FOUR INTERNATIONAL com- stake, the Victor Company of the first videodisc system would Toshiba, panies from Japan, the U.S. and Japan (JVC), with 25 per cent be available in the U.S. in late Yamaha. involved with the eoftware com-pany. VHD Programs, which will buy the programmes and The three companies are: will eventually produce its own,

and the manufacture of discs. There are three competitive videodlsc systems. The cheapest is RCA's Selectavision followed by the JVC-developed system,

Toshiba, NEC, Sbarp and Yamaha, The third system bas been developed by Philips, the Dutch electrical and electronics

able losses on their securities trading.— Citibank, Chase.

Bankers Trust, Chemical, and

.Although Thorn-EMI is not involved in the manufacture of to announce shortly that it will he for the European mar-

The new factory making discs in the U.S. is likely to cost

Winnebago reduces its losses

BY OUR NEW YORK STAFF

By David Lascelles in New York and recreational vebicles, is still GENERAL REINSURANCE, the not out of the wood. The comlargest relusurance company in the U.S., reported a 19 per cent gain in earnings in the third quarter, despite the extreme \$25,000. A year earlier it had weakness of the reinsurance lost \$3.6m. Its total losses for its fiscal year ending in August Net income was \$39m or \$1.79 were \$13.5m, compared with a share, up from \$32.9m or \$1.51

\$4.2m the year before. in the same period last year. Nine months net was S111m or \$5.09, up from \$95m or \$4.36. The company, which has been General Reinsurance said the gain resulted partly from an in-

WINNEBAGO, the troubled U.S. of the economy, has seen its manufacturer of motor homes sales plummet from the winter

pletely retired in July 1980, stocks and overhead expenses were significantly reduced and, despite poor market conditions, the company sbare of the motor bome business increased by 30 per cent," be declared.

Wall Street analysts had been expecting a loss of 70 cents a share for the year from Winnehago with a furtber, although

New York Air cleared for shuttle service

By Ian Hargreaves in New York

NEW YORK AIR, the airline recently formed by Texas Air Corporation, has been granted the airport rights it needs to start a cut-price service be tween New York and Boston and New York and Washing ton in mid-December.

The Department of Transport aonounced that New York Air would bave 18 daily slots at crowded Washington National Airport, which is two slots fewer than the airline had hoped for, but enough to enable it to start operations.

The Government department had to make the decision because the air carriers which already serve Washington could not agree on a reallocation - the normal method of ports. . .

New York Air, a sistor airline to Texas Air's Texas Intornational Airlines, hopes to become a major North Eas-tern carrier using New York as a bub city. Texas Air is the small company

which in the last two years has attempted to take over hotb TransWorld Airlines and National Airlines. will offer a one way, reserved

seat between the two airports for as little as \$29 at week-ends, and \$49 during tha week. Eastern's normal fare for the shuttle is \$59 each way, with a return fare of \$77 for weekend travel.

Texas Air has spent \$130m on secondhaud DC 9 aircraft in recent weeks, buying 25 air-craft from European carriers. Some of these will be used to modernise Texas Inter-national's fleet, but the bulk are for the expansion of New Most U.S. airlines have lost

large sums of money this year and Texas Air itself saw its earnings simost eliminated in the third quarter. But Texas is confident that there is room for an extra airline in the North East, which contains some of the country's busiest short baul routes.

Meanwhile Texas Air Corpora-tion has reported a sharp slump in third quarter earnings from \$21.9m to \$1.4m or 19 cents a share, on revenues of \$75.8m against \$65.1m. At the nine-month stage, earnings total \$3.6m or 51 cents, against \$24m, with revenues

SWISS FRANC STRAIGHTS Issued Austria Rap. of St. SO... 100 Beyer Int. Fin. 54, 82... 100 Remon. City of 6 90 ... 50 at \$219.1m compared with

\$167.9m.	\$167.9m.						
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. Third quarter	1980	1979	Eusphma 54 92				
			F. G. H. Hyps Bk. 5 90				
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Nat por chara	34.4m	30 4m	GZB 44 89				
Nat per share	0.88	0.88	Int. Amer. Cev. 7 30 Japan Cev. Bk. 54 90				
Revenue	1.34bn	965.Sm	Jutland Tale. St. 30				
Net profite	105.9m	78.3m	Mt. Slanc Tunnel 51, 90				
Net per share	3.11	2.69	Newag 54 90				
EDISUN AROTHERS STO	REB		Nippan Tel. & T. 4% 89				
	1980	1979	Names Kamm, 41, 81 OKB 43, 91				
Third quarter	\$	S	OKB 9 90				
Revenue	209.7m	199.9m	Oslo, City of 4's 81				
Nel prafits	0.2m	10.09m	Oslo, City of 57 90				
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FLEMING COMPANIES		-	World Bank 41 88				
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FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international boexists. For further details of these or other bonds not issues for which an adequate secondary market see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on October 30

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The Hongkong Land Company, Limited Warrants (expiring on 31st December 1980), which

were issued with the 7-3/4% Guaranteed Dabentures due 1988 of Hongkong Land International Limited, to subscribe for Shares in The Hongkong Land Company.

NOTICE TO WARRANTHOLDERS

In accordance with the provisions of Condition 13 of the above-mentioned Warrants, notice is hereby given

> Jardine Flemino & Company Limiled, 46th Floor, Connaught Centre, Connaught Road, Central, Hong Kong

has been appointed as an additional Warrant Agent with immediate effect.

Hang Kong, 31st October 1980

The Hongkong Company



months ended August were pany announced yesterday that \$25m—better than the previous it bad cut its losses in the three quarter's \$16m, but below the months ended August 30 to previous year's \$28m. In the year as a whole; sales were

bit hy consumer anxiety over petrol, by higher interest rates and the general lowering of public expectations about the course

of 1978-79 quarterly high of \$91.4m. compared with \$215m in fiscal 1979.

Mr. John Hanson, who has been carrying through a drastic for a substantial improvement in the company's performance

this coming year. by the effects of Sbort-term debt was comin petrol prices.

smaller, deficit in 1981. The hope inside the industry is that trimming of the company, gaid sales will recover in 1991 as yesterday that he was looking credit becomes more easily sales will recover in 1991 as available, but it is also admitted that this factor may be offset by the effects of a ranewed rise

against C\$27.3m, or C\$2.10 a sbare. Sales totalled C\$249m

months Algoma earned C\$67.6m,

or C\$5.02 per share, against C\$77,6m, or C\$5:95. Sales were C\$836m against C\$796m.

b6etaoi shrdl emfwy vhgk emfw

Canadian steel groups show drop

BY ROBERT GIBBENS IN MONTREAL

covering with the outlook for 1981 fairly good, especially if car industry demand picks up \$34.9m or \$1.67 a ahare to and western oil and gas pipe-\$36.3m or \$1.73 a share on sales of \$502m against \$459.4m. Steel Company of Canada, the

THE CANADIAN steel industry industry's largest unit, reported the Canadian Pacific group, was hit by the recession in the third-quarter net profits of earned C\$15.9m, or C\$1.10 a third quarter, hut is now recovering with the outlook for down from C\$31.9m or C\$1.14 against C\$27.3m, or C\$2.00 a covering with the outlook for a share a year earlier. Sales were C\$535m against C\$504m. In the nine months earnings were C\$96.5m, or C\$3.03 per share, against C\$107.7m, or C\$3.93 a share, on sales of C\$1.6bn against C\$1.5bn. The company said third

quarter was adversely affected by a stack market for auto-mobile sheet, higher costs and the start up of a new hasic plant in Ontario. Also, offshore salos, were higher at internationally competitive prices. ing modestly and the large diameter pipe plants were working at full capacity with oxcellent

prospects for 1981.

The third quarter was affected by lower shipments and lower production with sheet products hit hy lower demand from the motor and consumer durable induatries.

Motor industry demand has

improved recently and orders for rolled products are gaining. Raw ateel production should be near capacity for the balance of the year. The company is going rospects for 1981. ahead with a new seamless tubo Algoma Steel, controlled by mill costing C\$300m.

Canadian Du Pont slips

BY OUR FINANCIAL STAFF

DU PONT of Conada, which is controlled by E. I. Du Pont de Plastice and films.

Nemours, the largest chemical group in the U.S. suffered a reduced its loss in the 12 into sales of nearly all of the \$23m. company's products.

Group sales gained a derisory 2 per cent to \$234m. Earnings dropped from C\$18.2m or C\$2.31 a share to C\$7.1m US\$6m) or 99 cents a share. At the U.S. parent, earnings fell hy 65 per cent in he same year. Also, the 1979 figures have

At the nine-month stage, Canadian Du Pont's earnings Bliped from C\$40m to C\$33.3m or \$4.21 a share, while sales show a gain of 11 per cent to

Canadion Du Pont markets \$3.65 fibres, fluorcarbons, explosives, \$295.2m.

substantially greater fall in months to July last. Operating third quarter profits than its loss bas fallen from \$10.7m or parent company. Canadian Du \$1.01 a chare to \$2.4m or 22 Pont commented that the recescents a share, on the back of a sion in North America had cut sale increased from \$20.1m to The board points out that the figures exclude a loss of

\$390,000 or 4 cents a share from discontinued operations for 1979-80, compared with similar loss of \$105,000 or one cent a sbare in the previous been restated for the full cost of new accounting rules. PanCanadian Petroleum reports increased profits for the

first nine months of this year of \$179.9m or \$5.73 a share, on sales of \$416.3m. The comparable period earned \$113.9m or a share on sales of

OTHER STRAIGHTS 1980ed
3ell Canade 10½ 96 CS 60
CIBC 13½ 86 CS 50
CIBC 11½ 85 CS 60
Faderal Dev. 11½ 90 CS 60
Fat. Can. Inv. 10 84 CS 50
R. Bk. Canada 10 86 CS 40
Tordom Cpn. 13½ 85 CS 30

Charting a boom in world trade

ally advanced industries.

duction for international rather

than national markets, and mass consumption makes possible

not only large-scale production but also a high rate of growth."

The fourth factor liated as

promoting trade in the 1960-75

to finance imports essential to maintain a high rate of econo-

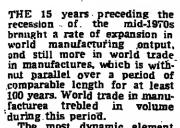
mic growth would bave been

aa Britain waa the 19th century

example, of trade-promoting growth and of international

according to

specialisation

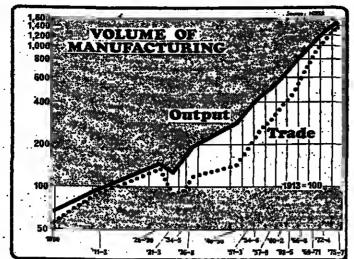


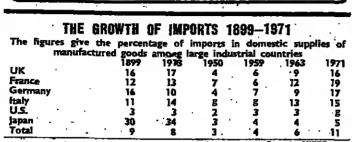
The most dynamic element was trade between industrial countries—the rise in imports as a proportion of their domestic consumption was much higher than could have heen predicted on the basis of earlier experience. The appetite for imports of manufactures among semi-industrial and nonindustrial countries was also greater than earlier trends bad suggested.

Was the 1960-1975 period a golden age for world trade, brought about by special factors which are unlikely to recur? In a book* published yester-day, three economists from the National Institute of Economic and Social Research explain why world trade in-creased as it did in the 1960s and offer some predictions for

They are building on an earlier NIESR study by Alfred Maizels (Industrial Growth and World Trade, Cambridge University Press, 1963) which examined relationships between industrial growth and trade in manufactures for selected years from 1899 to 1959. Maizels thought that the very fast rise io world trade in 1950-59 was largely a catching up from the depressed conditions of the 1930s and would not be maintained..

NIESR The new NIESR study attributes the exceptionally rapid growth of trade during ibe 1960s to four factors: reductions in trade barriers, the activitiea of multinational enterprises, technological developments which created new products where economies of scale are significant and which





wage The period included almost all the major tariff-cutting exercises of the post-war years—the Dillon and Kennedy rounds of GATT negotiations. the formation of the original EEC and EFTA and the Canadian-United States Automotive Agreement.

Within Europe integration encouraged intra-industry aa opposed to inter - industry specialisation in production and ducts where economies of scale "intra-industry trade entails a lieve that investment by multi-are significant and which higher ratio of imports to out-national companies has had a commanded a mass market and put than inter-industry trade. substantial trade - promoting shifts in the location of pro- The exchange of Renaults as effect. duction to areas where labour well as French perfumes for

ised German optical equipment will lead to more trade both waya than if France exports perfume but not cars to Garmany and Germany only optical equipment to France."

Tariff reduction encourages the production of components in different locations to take advantage of economies of scale -a practice associated with multinational enterprises. The outstanding example in Europe is IBM, which has contributed growth of intra-European trade "Other things being in computers and associated the authors state, equipment. The anthors be-

was prepared to work as hard and as skilfully as in the older industrial areas for a lower real will lead to more trade both

factor endowments." Have the events of the last five years, including the huge rise in the price of oil, condemned the world economy to the recession OECD countries' aggregate GDP was increasing at 5 per cent a year and the annual rate of rise in manufac-turing production was about

to be the leaders in products the sbare of manufacturing 1970s. There could be further for which world demand has within it-will again increase so development of intra-industry grown most rapidly, such as rapidly during the rest of the trade within Europe, where -rapidly during the rest of the

cals and computers. But the Japanese case shows that multi-national are not necessary for output by changes of occupa-tion within the labour force the development of technologic-(e.g. from agriculture into manufacturing) ia now greatly reduced. There is greater It is the character of the to mobility both occupations and goods themselves rather than resistance their production by multi-national enterprises that has between geographically. Moreover, the main occupational change will be out of manufacturing into contributed to the exceptional growth of trade. Technology makes the new product with a where productivity improves much more slowly. high growth potential, econo-mies of scale encourage pro-

The declining share of profits, especially post-tax, in the national income of most of the industrial countries may have a depressing effect on capital investment. In the last two decades of the century an annual rate of growth closer to 4 than to 6 per cent may be in prospect for OECD countries

Unrealistic

period is of a different kind and there was only one major example of its operation—
Japan. "Japan was a special case, not perhaps so much because of the bigh quality of labour of all kinds combined with lower average real earn-ings as in its wholly exceptional In the developing countries the annual rate of increase in dependence on imported raw materials and fuels. Had Japan real GDP want up from 4.7 per cent between 1950 and 1960 to 5.8 per cent in the next 13 been able to supply a higher proportion of its requirements, but then declined slightly to 5.4 per cent between 1973 and 1977. To meet the UNCTAD objectives of a 71 per cent annual rate of growth would require an increase in much less . . . Japan is the out-standing 20th century example, the ratio of investment to GDP which looks unrealistic—not least becausa of the reluctance of investors in the advanced countries to commit capital to the Third World. The developing countries - are unlikely to be able to afford a rate of growib in real GDP of more

than 51 per cent a year. As for world trade, any permanently slower rates of As for world trade. any growth? In the 10 years before stimulus from further tariff cuts will be limited, but the authors suggest that the long-term affect of reductions already implamented may continue to encourage a growth 6 per cent. The authors point of trade at a rate which to several factors which make is high by historical standards, it unlikely that total output or if not by those of the 1960s and

trade within Europe, where trade interdependence is still far below the level recorded between the different states of the U.S. This depends on the removal of non-tariff barriers which impede integration.

The authors note that the rise in the U.S., UK and German import ratios from 1963 to accounted for in terms of tariff cuts and competitive weakness; there was an unexplained residual. "It is possible that in consequence of the spread of industrialisation and the development of new technologies and new products the normal import ratio for a large country is rising. If so this would be a factor in making for faster growth of trade—especially if Japan were to begin to exhibit a development pattern aimilar to that of other large mature industrial economies

Against this is the danger that non-tariff barriers will inhibit the growth of trade as protec-tionism limited it during the 1930s. The authors argue that the Industrial countries should be able to cope with the likely growth in manufactured exports from the developing countries—although "they will not, if they can help it, allow the emergenceof any more Japans with a high propensity to export and a low propensity to import manufactures.'

The strength of demands for protection will depend very much on the rate of economic growth sustained by the industrial countries. "The experience of the 1970s prompts a fairly optimistic forecast of the growth of world trade. So far as imports into the industrial countries are concerned, there is still sufficient impetus to keep trade growing at a rate above the historical average provided that output also continues to grow reasonably fast."
* Industrinlisation ond the Botcheler, R. L. Mojor and A. D. Morgan, Combridge University Press. £17.50

BASE LENDING RATES

•	A.B.N. Bank	16	œ,	■ Hambros Bank 16 %
	Allied Irish Bank	16	•	"■·Hill Samuel 516 ©
-	American Express Bk.	16	0	C. Hoare & Co
	Amro Bank	16	o.	Hongkong & Shanghai 16 %
	Henry Anabacher			Keyser Ullmann 16 m
	A P Bank Ltd	16	01	Knowsley & Co. Ltd 18 o
Ţ	Arbuthoot Latham	16	œ	Langris Trust Ltd 16 %
	Associates Cap. Corp.	16	0	Lloyds Bank 16 0
	Banco de Bilbao	16	.0.	Edward Mansoo & Co. 17 %
	BCCI	16	C.	Midland Bank 16 %
	Back of Cyprus	16	4	🗷 Samuet Montagu 16 %
	Bank of N.S.W	16	95	Morgan Grenfell 16 °
	Banque Belge Lid	16	ď.	National Westminster 16 %
	Banque du Rhone et de			Norwich Geoeral Trust 16 %
	la Tamise S.A	16	142	P. S. Refson & Co 16 0
	Barclaya Bank	16	о ₀	Rossminster 16 %
	Bremar Holdings Ltd.	17	O.	Ryl, Bk. Canada (Ldn.) 16 %
	Brit Bank of Mid. East	16	0.	Schlesinger Limited 16 %
	Brown Shipley	16	9	E. S. Schwab 16 %
	Canada Perm't Trust	17	o.	Security Trust Co. Ltd. 17 %
	Cayzer Ltd	16		Standard Chartered 18 %
	Cedar Holdings	16	a,	Trade Dev. Bank 16 %
	Charterhouse Japhet	16	ë,	Trustee Savings Bank 16 %
	Choulartons	16	0	Twentieth Century Bk. 16 %
	C. E. Coates	16	φ,	United Bank of Kuwait 16 %
	·Consolidated Credits	16	0-	Whiteaway Laidlaw 1640
	Co-operative Bank	16	0,7	Williams & Glyn's 16 %
	Corinthian Secs	16	6	Wiotrust Secs. Ltd 16 %
	The Cyprus Popular Bk.	16	•	Yorkshire Bank 16 %
	Duotan Lawrie	16	n-	-
	Eagil Trust	16	O.	Members of the Accepting Houses
	E. T. Trust Limited	16	ሚ	Committee.
	First Nat. Fin. Corp	18	ď	* 7-day deposits 14° 1-month

deposits 1414". † 7-day deposits on sums of £10,000

First Nat. Sees. Ltd. 18 of deposits 141.*...

First Nat. Sees. Ltd. 18 of deposits 141.*...

Robert Frager 16 of today deposits on sums of and under 141... up to and under 141... up to Greybound Guaranty. 16 of today deposits on sums of and under 141... up to Greybound Guaranty. 16 of today deposits on sums of and under 141... up to Greybound Guaranty. 16 of today deposits on sums of and under 141... up to Greybound Guaranty. 16 of today deposits 141.*. and under 14"... up to £50,000 1412"... and over £50,000 15". t Call deposits over £1,000 14* ...

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times.

It will be published on the following dates in the remainder of 1980:

November 11 December 16

There is a limited amount of advertising space available each month; if your company is interested in taking advantage of this offer please

> The Financial Advertising Department on 01-248 8000 Ext. 266 or 389

APPOINTMENTS

Avon Rubber directors

Mr. John Pinckard, chief executive of the Serck Group, and Mr. Jan Weston Smltk, chairman of the Morgan Crucible Company, have been appointed additional non-executive direc-sors on the main board of AVON RUBBER COMPANY from

Mr. John P. Robertson and Captain M. V. Stone have been elected directors of FURNESS WITHY AND CO. Mr. Robertson is chairman and managing director of Furness Withy (Chartering). Captain Stone is a director of Orient Overseas (Gootainer - (Holdings) and managing director of Dart Container Services.

ATCOST has made the following appointments: Mr. Terry Butcher and Mr. Jim French, have joined the board of Atcost Structures. Mr. Mike Duhig has become a director of the group's Eastleigh-based company. Atcost Projects, and Mr. George Maw joins the board of the firm's manufacturing subsidiary, Atcost

At the annual meeting of the INSTITUTION OF ELECTRONIC AND RADIO ENGINEERS Mr. John Powell was elected president for 1980. 1981. He succeeds Professor William Gosling.

Mr. David Palmer has been appointed Deputy Editor of the FINANCIAL TIMES from January 1, 1981. Mr. Joe Rogaly. Managing Editor, Mr. J. D. F. Jones, Associate Editor and Mr. Nicbolas Colchester. Foreign Editor

Mr. Gordon A. Rogers, deputy financial director, has been appointed fioancial director of the LONDON ELECTRICITY BOARD in succession to Mr.

Mr. A. J. Taylor, previously deputy president of the PRO-CESS PLANT ASSOCIATION, has been elected president in succession to Mr. Roger Kingdon who is taking up a new appointment outside the process plant industry. plant industry.

Mr. Peter Godfrey has been elected senior partner of ERNST AND WHINNEY from tomorrow to succeed Mr. Dennis Garrett, who is retiring from the firm.

DELOITTE HASKINS AND SELLS, chartered accountacts, announces the following admissions to partnership from November 1. Mr. A. T. Robert MacFarlane to the UK and Liverpool firms; Mr. Peter J. Meader to the UK and London firms; Mr. Paul J. Twamtey to the UK and Newport firms; Mr. Nicholas R. B. Barron to the UK and Southampton firms; and Mr. Diarmuid P. Minrray to the Dublin office of the Republic of Ireland firm. Mr. Edward T. Peers and Mr. Geoffrey J. N. Smart have been admitted to partnarship in the firm of Deloitte Haskins and Selis Associates from November 1. Mr. lingram A. T. Legge has resigned bis partnership from the Liver-DELOITTE HASKINS AND bis partnership from the Liver-pool firm of Delolite Haskins

Loveland, managing director; Mr. Philip Carter, managing bead. Mr. A. Henry, finance director; director of the Littlewoods a subsite director; Dr. R. K. Merritt, pro-

Campbell Allan, non-executive director. Dr. D. Thomas will join the board as technical director on January 1, 1981.

Mr. John A. Pike has been made vice-president, new product development, of SWEARIN-GEN AVIATION CORPORA-

PENTAX (UK) has made the following appointments: Mr. Geoffrey Lloyd, financial controller, is appointed finance director and company secretary and Mr. John Raddon, general manager (sales and marketing), has become director of sales and marketing. Mr. H. Tsuge, European treasurer of Asahi Optical Europe, has also been appointed to the board.

Mr. Cecil Berens baving reached the age of 72 will retire as chairman and resign as a director of SOVEREIGN OIL AND GAS on December 31. Mr. C. E. A. Hambro, chairman of Hambros Bank, has been elected a director and appointed chairman from January 1. Mr. J. C. L. Keswick, an executive director of Hambroa Bank, has also been elected a director. also been elected a director.

Mr. Bernard Friend, member for finance, British Aerospace has been appointed to tha Boards of the IRON TRADES INSURANCE GROUP.

Mr. John McMahon has been appointed as the new commercial director of TELFORD DEVE-LOPMENT CORPORATION Shropshire. He is currently the assistant director of development in the estates department of Peterlee Development Corpora-tion. He succeeds Mr. Bob Til-mouth, who has become general manager of Washington Develop-ment Corporation.

made a director of GRUNDFOS PUMPS, the British subsidiary of the Danish-based Grundfos pump manufacturing company. Mr. Alan Bradley has been appointed production director of the produ the company's British manufac-turing subaidiary, Grundfoa Manufacturing.

Mr. Michael Tyrrell has been appointed actuary of the CRUSADER INSURANCE COMPANY. He succeeds Mr. W. D. Scattergood who has retired.

Mr. Nige! Harrison has been appointed financial director for THOMSON TRAVEL. Mr. Roger Heape has been promoted to the position of marketing director of Thomson Holidays, while Mr. Martin Brackenbury has joined Thomson Holidaya as personnel director.

Mr. Jacques W. Zoller has been appointed a director of GLOBAL NATURAL RESOURCES, the U.S.-based oil and gas exploration company.

Mr. Stanley Samwell, a senior partner in Josolyne Layton-Bennett and Co. has been elected president of the INSOLVENCY PRACTITIONERS ASSOCIATION for the year 1980-81.

duction director; and Mr. W. PRODUCTION SECTOR WORK-

These companies have tended

Mr. J. H. Evers, the London Metal Exchange, has been appointed charman of the FEDERATION OF COMMODITY ASSOCIATIONS covering the EEC. Mr. W. R. Pick, E. G. Cornelius and Co., has become chalrman of the BRITISH FEDERATION OF COMMODITY ASSOCIATIONS.

DENTSPLY INTER-NATIONAL INC. Mr. Bernard J. Reatley has become senior vice-president—professional relations and Mr. John R. Behrmann senior vice president-finance.

Mr. R. F. Craig, general man-ager of Frasers of Glasgow, is appointed managing director of C. ILLUM A/S of Copenhagen. Mr. J. C. Howie, deputy property controller, has been appointed property controller of House of Fraser, following the retirement of Mr. D. R. H. Donald on grounds of Mhealth.

Mr. John Pollard is retiring as finance director of MARLEY. He has also resigned as director of certaio overseas subsidiaries.

Mr. Neville Holmes, marketing director (consumer products) of Storey Brothers and Company, bas been appointed divisional marketing director of ARTHUR SANDERSON AND SONS with responsibility for fabrics, wallcoverings, paint and carpets. He succeeds Mr. M. J. R. Jeremy. who has relinquished his executive responsibilities.

Mr. B. H. Nathan and Mr. K. J. McQueen bave been appointed to the Board of GENERAL MIN-ING UNION CORPORATION (UK) (the London operating subsidiary of General Mining Union Corporation of South Africa). Mr. Nathan is managing director of Ayrton Metals, dealers in platinum group metals dealers in platinum group mensis and a subsidiary of Impala Platinum Holdinga Mr. McQueen has recently joined General Mining Union Corporation (UK) to take charge of recruiting for the Generor Group in the UK.

Mr. C. M. Hough, chairman and managing director of tha Rees Hough: Group, has been appointed chairman of the UK PIPE JACKING ASSOCIATION in succession to Mr. W. R. Reld.
a director of the Tube Headings division of Cementation Mining, who retires following two years in office. Mr. A. Moss, a director of Delta Construction, has been appointed vice chairman.

Mr. John K. Adams has been appointed marketing director of BRITISH POLAR ENGINES, Glasgow, the principal subsidiary of Associated British Engi

Mr. Edward W. Jackson, for-merly chief dealer of Sumitomo Trust and Banking Co., will join LIBRA BANK as senior manager —treasury on November 3.

Mr. Gerald H. Cookson has been appointed from November 1 a regional director of the Northern regional Board of LLOYDS BANK.

Mr. Alan H. Siddons has become financial director and company secretary of WELL-MAN INCANDESCENT on the become financial director resignation of Mr. David West-bead. Wellman Incandescent is a subsidiary of the Wellman Engineering Corporation of

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WALL ST. AND THE ELECTION

Flying the Republican colours

THE "REAGAN RALLY" is big dose of wishfulness, what Wall Street pundits bave already dubbed this summer's extraordinary surge in sbare prices which took the Dow Jones Industrial Average within a whisker of the magic 1,000 mark for the first time in four years.

Actually, the surge had as much to do with hopes of U.S. economic recovery as with wagers on Mr. Ronald Reagen winning the Presidential election next Tuesday. But Wall Street likes to nail its Republican floor to the most and it has

can flag to the mast, and it has missed few opportunities to boost the Reagan cause throughnut the election campaign, although deep down it probably suspects that the key in its fortuoes in the next four years lies not so much with the White House as with Congress. Wall Street wants Mr. Reagan for all the obvious reasons. Il perceives him to he more pro-

business than President Jimmy Carter. It elso thinks he will do a better job of fighting inflation and curing such economic ills as poor productivity and a meddling bureaucracy. By extension this means healthier credit and stock markets and possibly, an end to the financial traumas which heve marked the secood haif of Mr. Carter's

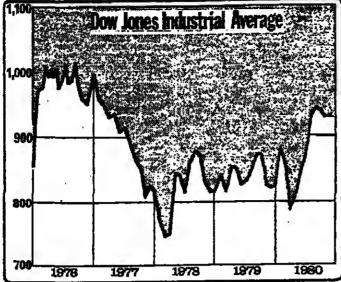
__individuals.

uncharacteristic of a community which prides itself on

Anyone who delves deeper quickly discovers nagging doubts about Mr. Reagan es well. The biggest Is over his ability to square his hudget. In his election "platform" he promises both to cut taxes and increase defence spending, twin goals which would seem to knock the props from under his third hig promise which is to reduce the federal deficit on the way to halancing the budget

refuse to accept there is a contradiction here, arguing that their industrial policy will which will yield higher profits and more taxes. Many remain uncoovinced. means they are not completely down inflation and interest ratea either. In this respect, Wall Street

takes a somewhat different view of Mr. Reagan than industry. Whereas U.S. maoufacturers and producers want policles It also prefers his tax cut proposals to Mr. Carter's hecause duction process easier (by, for to find a grudging respect to they are higger and promise example, deregulation), the his diagged pursuit of such goals financial community attaches as oil price decontrol—when he could have frozan prices as But, as the grandeur of this against inflation. And unless a a quick fix for Inflation—and vision suggests. Wall Street's new Administration can show his resistance to calls both for hopes for Mr. Reagan contain a success on both fronts. Wall wage and price controls and



Street's markets are bound to

Generally, though, there cao few places in the U.S. with a thicker concentration of blue "Reagao for President" lapel buttons than Wall Street. By cootrast, Wall Street feela little, if any, affinity to Mr. failures of the last four years. But again one can scratch down for protectionism. He also earna some credit for appointing Mr. Paul Volcker as chairman of the Federal Reserve Board.

to revitalise industry, embry-onic though they may be, ara also held to be encouraging. On balance, though, another four years of Mr. Carter is something Wall Street feels it could well do without. Mr. Carter's first term con-

tained more than its sbare of economic crises, lucluding the highest U.S. interest rates since the Civil War more than 100 years ago. Apart from the fact for a hig that this brought the credit mar-candidate.

kets to a virtual standstill last March and gave the stock mar-ket a very bumpy ride, it also threateoed to drive many Wall Street bouses and banks out of business. (Miraculously, the number of casualties was small).

Mr. Carter's failure to control federal spending and curb the deficit is seen as another big liability. And the fears are that if be is re-elected he will only lead the economy back into soar ing prices and interest rates. Small wonder that when the opinion polls last week showed Mr. Carter catching up on Mr. Reagan, if not ectually ahead, that sbare and bond prices tumbled in alarm.

The hottom line, to use Wall Street's favourite phrase, is that a Reagan win is bound to c beer the market up, and a Carter win depress it. But both reactions are just as likely to be short-lived. No one on Wall Street delodes himself that change comes quickly, and the fundamentals for 1981 are already embedded in the equivalent of economic concrete: a huge federal deficit, higher oil

nuge rederal demat nignar ou prices, and an underlying inflation rate of 8 to 10 per cent. Whether things will change later is a different matter. But a President from either party will have to win congressional approval for his programmes, and for this reason Wall Street's analysis will be watching as analysts will be watching as much for a shift in the distribution of congressional seats as for a hig majority for their

announce a pooling of services with another Swedish shipping company, Trans-atlantic, on November 7. Sales of vessels and stock gains amounted to income of SKr 102m during the period. Group investments totallel SKr 71m, of which SKr 42m was accounted for by tonnage purchases.

Swedish

shipping

deepens

By Westerly Christner in Stockholm

BROSTROM Shipping Com-pany, the Swedish shipping

group, experienced a further

deterioration in its perfor

mance with its net loss for the

first eight months rising to

SKr 91m (\$21.5m) from the

SKr 62m joss made during the

corresponding period a year

The deterioration was attri-

buted in the interim report to

investment costs associated with tonnage purchases and a

freight war in the northern

Atlantic traffic. Consolidated

turnover reached SKr 1.44bn

(\$330m) during the eight months, aginst SKr 1.48bn.

board predicts an improve-ment compared with last year's net loss of SKr 100m on turnover of SKr 2.17hn. It is

expected that continued cost-

cutting measures and invest-

ment in such new areas as

real estate wil help lead to a

Contributing to the eight-

month loss was this spring's domestic labour disruptions.

which were said to have lopped off about SKr 25m in

earnings. During the eight

months an improvement was noted for the hulk and liner

divisien, which is expected to

further recovery in 1981.

For 1980 as a whole, the

group deficit

Nestle sets

up committee NESTLE, the Swiss parent company of the Nestle group, bas set up an executive com-mittee which is intended to

solve problems connected with the management of sub-sidiaries; "particularly the maintanance and, where possible, the improvement of the profitability," reports
John Wicks in Zurich.

Four French textile makers plan merger BY DAVID WHITE IN PARIS

FOUR FRENCH woollen textile companies have drawn up tha details of a marger plan which represents the biggest re-structuring to take place in tha troubled French textila industry for two years.

The new group, based in the north of France and formed around the debt-laden Lainiere da Roubaix, will have a combined annual turnover of around FFr 5bn (\$1.2hn). The com-panies, which already had close financial, industrial and commercial links, will be brought together under the name Prouvost, with the main Freech manufacturing operations regrouped under the name Lainiere de Roubaix.

The merger creates one of the The merger creates one of the top textile concerns in the country, alongside Dollfus Mieg in the east, its northern rival Agache-Willot, the retail end textile group which took over the bankrupt Boussac concern in 1978, and the synthetic fibre division of Rhône-Poulenc.

It will have a combined work-

It will heve a combined workforce of about 21,500. According to Lainiere de Roubaix, the merger is not expected to lead

to staff cuts.

Lainlere de Roubaix is only now coming out of e tough programme. recorded a pre-tax profit at group level of FFr 35m in the first half of this year, against a FFr 5m loss in the same period last year. Sales showed a modest increase to FFr 1.55hn from FFr 1.50bn.

It is one of two quoted com panies involved in the deal, the other being Prouvost. Under the merger terms, which shareholders from all four companies are to vote on in December. Prouvost shareholders will receive 13 Lainiere da Roubaix ahares for each one of theirs. On the basis of latest quoted prices this values Prouvost's. shares at FFr 470 compared with the current level of FFr 390 on the Lille bourse.

Prouvost, a holding company, registered a net loss of FFr 885,000 in the first half year. The affiliated company Prouvost et Lefebvre, which is active in international wood trading, showed a profit of FFr 2.35m

Prouvost et Lefebvre shares will be exchanged on the basis of 45 Lainiere de Roubaix shares for two of its own. The fourth company, also closely related, is Societe Auxiliaire de l'Lindustrie Textile (SAIT), whose shares will be exchanged at a rate of 39

The merger is seen as bring-ing together complementary activities ranging fram raw wool to clothing under one management, and as strengthening Lalniere de Ronhaix's finan-

Prouvost and Prouvost et Lefebvre were sharebolders important Lainiere de Roubaix, with 17 per cent and 24 per cent respectively.

Axel Johnson subsidiaries mixed

BY OUR STOCKHOLM CORRESPONDENT

within the Axel Johnson group, interim period, Last year's net A. Johoson and Company and the Nordstjernan group, have shown mixed results for the first to SKr 15m during the perind, eight months of the year.

The A. Johnsoo and Company somewhat weakened compared group showed net earnings of with the previous period the SKr 15.2m (\$3.6m) for the eight report states that it is "still months. Skr 13m less than good."
reported during the corresponding period in 1979 Consolidated within the Axel johnson group, turnover rose to SKr 3.4bn

earniogs amonoted to SKr 51m on turnover of SKr 5.03hn. Group Investments amounted

and while group liquidity was

the Nordstjernan group, reports net eernings of SKr 115m for For 1980 as a whole, the the first eight months of the management expects a further year, a substantial improvement further improvement.

THE TWO leading groups earnings improvement from the from the SKr 9m registered during the corresponding period in 1878. The improvement mainly was attributed to recoveries in the special steels

and shipping units. Consolidated turnover reached SKr 4.9hn during the eight months, against SKr 3.6bn. During the period extraordinary income was SKr 119m, of which SKr 111m was derived from a traosfer of shares in J. S. Saba, the produce importing firm, to NK-Ahléns. For 1980 as a whole

SKF offers stock swap to French minority interests

BY WESTERLY CHRISTNER IN STOCKHOLM

company's French subsidiary, SKF Compagnia d'Applications

The Swedish company bopes

to acquire the remaining 11 per cent outstanding shares in SKF-CAM, which makes bearings through the share swap.

After an operating loss in which is not 100 per cent by the psrent company.

SKF, the Swedish bearings and lu the black by June this year. steel manufacturar, is offariog Altogather, SKF's total French its minority shareholders in the activities contributed SKr 1.45bn (\$343m) to consolidated turnover last year, and was the Mecaniques. (SKF-CAM), a fourth largest manufacturing five-for-threa stock swap against company within the group with shares in the Swedish parent 5,500 employees.

Of SKF's five West European bearing manufacturing unitsincluding Italy, Germany, Great Britain and Sweden—the Britain and Sweden—the French unit is the only one which is not 100 per cent owned

Hachette share buying starts takeover rumours

BY OUR PARK STAFF

ACTIVE BUYING of shares in tha Hachette publishing and press group on the Paris stock market in recent weeks has given rise to speculation about possible takeover.

About 145,000 shares, or 8 per cent of the total, are reported and huying pressure has con-tinued this month amid conflicting rumours about

identity of the purchaser or

Hachette, the leader of its sector in France, auffered a sharp fall in its net profits last year to FFr 97m (\$22.5m) from FFr 179m after resping large to have changed bands on the capital gains the previous year cash and forward markets as a result of reorganisation between July and September. The group is facing problems in book publishing, but other sectors are generally regarded as promising.

Continued

growth at

Bank Leu

quarter of this year.

By Our Zurich Correspondent

BANK LEU, Switzerland's fifth

largest commercial bank, reports

a continuation of "generally good" business in the third

A further narowing of interest margins was offset by bigher

earnings from non-credit opera-

This announcement appears as a matter of record only



ISTITUTO MOBILIARE ITALIANO

US\$30,000,000 Medium-Term Loan

Managed by

Saudi International Bank AL-BANK AL-SAUDI AL-ALAMI LIMITED

Co-Managed by

Abu Dhabi Investment Company

 Arab Bank Limited Gulf International Bank B.S.C.

The National Commercial Bank (Saudi Arabia)

البثك السعودى العالمي المحدود Saudi International Bank

September 1980

(LONDON)

Winterthur expects static profit

By John Wicks In Zurich

PROFITS AT about the 1979 ievel of SwFr 80.4m (\$35.53m) are expected for the current year by Winterthur Swiss Insurance Company.
While underwriting results are expected to show a slight

deterioration over the year, the company sees investment income growing 8 to 10 per

The group also forecasts a repeat of 1979 results by its subsidiary. Winterthur Life Insurance Company, which last year bad net profits of SwFr 4.7m (\$2.76m); after transfers to the insurers' profit-sharing fund.

In the group's non-life sector premieum growth in Switzer, premieum growth in Switzer, land is likely to outpace last year's 6.7 per cent rate, while on foreign markets falling below the 1978 growth rate of 14.2 per cent in the life assurance sector. however, premium growth abroad should match or surpass the 13.2 per cent booked last

A "very high" iocrease rate is expected in the re-insurance sector, although this will be the result partially of changes in accounting practice. Due to this development, combined group premiums are expected to increase by more than the 9.6 per cent which brought them up to SwFr 3.35bn (\$1.97on) last year.

In the case of the British-Swiss-Japanese joint-venture Norwich-Winterthur, growth should be more than double last

KLM sees loss despite upturn

BY CHARLES BATCHELOR IN AMSTERDAM

KLM-ROYAL DUTCH Airlines on extraordinary items com-expects to incur s loss this year, pared with last year's profit of the fall at the net level. Profit its first since 1975; despite an FI 5.7m reduced the improve-per share fell to FI 23.08 from its first since 1975; despite an upturn in profits in the second 1980-81 quarter. Markets bave deteriorated as a result of the hesitant world economy and recent increases in tariffs.

The Duttch national airline increased second quarter net profit by 48 per cent to Fl 91.4m (\$515m). Operating costs. including depreciation, rose 14 per cent to FI 952m.

The operating result before interest rose 70 per cent to Fl 101.8m. A more than doubled interest charge of FI 9.4m and the move into a loss FI 20.6m and the sharp decline

ment at the net level. Profit per F1 19.92. FI 100 nominal sbare rose to FI 22.94 from FI 15.54. Despite the improvement in

the second quarter, the airline's first-balf result was lower than in the same period last year. Net profit fell 14 per cent to FI 79.4m on revenues which were 19 per cent higher at FI 1.99hn. Operating costs rose 20 per cent to FI 1.89bn.

The first-balf operating result rose 7 per cent to F1 98.8m. However, the 145 per cent rise in the net interest charge to

KLM carried only I per cent

more passengers and freight in with a 6 per cent rise in available capacity. The company's load factor fell to 63.4 per cent from 65.8 per cent.
Scheduled passenger traffic.

particularly hadly aeffected by the airline recession, rose only 1 per cent. Freight traffic increased by 4 per cent while 17 per cent more post was carried. Charter traffic continued to decline and showed e fall of 12

tions, according to the Zurich-The helance-sheet total expanded by 2 per cent in the quarter to SwFr 6.11bn (\$3.6bn), representing a rise of 16.6 per cent since the end of last year. Meanwhile. Swiss Volksbank.

of Berne, has reported a record assets total of SwFr 17bm (\$10bm) at the end of the third quarter. Swiss Volksbank, which forecasts "good results" for 1980 as a whole, also reported tighter interest margins and said these were com-pensated for by a "gratifying" result in the non-credit sector and by the fact that operating costs were kept within budgeted

Bank formed for Saudi-Swiss trade

Tribunal to investigate Fairfax purchase

BY JAMES FORTH IN SYDNEY THE AUSTRALIAN Broadcast-

ing Tribunal bas decided to hold a public inquiry late the acquisition of e 14.57 per cent shareholding in Herald and Weekly Times, the Melbouroe-based media group by John Fairfax the Sydney press group. The tribunal will also look into arrangements by which Fairfax sold its interests in two

television stations to shell com-panies owned by the Fairfax solicitors. Stephen, Jaques and Stephens. Fairfax bought the H and WT holding on the market late last year for A\$50m (US\$58.62m) to prevent the News Corporation press group headed by Mr. Rupert Murdoch from succeeding with a partial

takeover bid for control. Apart from H and WT's newspaper boldings, Naws was interested in its Melbourne television station. HSV-7. News subsequently gained joint control of another television station ATV-10 through the purchase of 50 per cent of Ansett Transoptr, the zirline, transport and television group, which gave it the Sydney and Melbourne stations io the 0-10 network.

The tribunal recently refused to approve this deal on the grounds that it was not in the public interest for Naws to control the Sydney-Malhourne axis of the network. News has appealed against the decision.
The Fairfax purchase gave it

too many television interests under the Broadcasting and Television Act. In an attempt to avoid a breach, Fairfax sold its interests in the Brisbane station, CTC-8 and the Canberra station CTC-7 to the Sbell com-panies while buyers were sought.

Buyers were subsequently found and the sales by the shell companies have already received tribunal approval. But the tribunal bas not yet approved the first stages, the Fairfax purchases in H and WT end the subsequent sale of tele-vision interests to the shell comvision interests to the shell companles. It has now decided to bold a public inquiry but bas yet to announce a date.

Union Bank of Switzerland (UBS) and a number of Saudi

Arabian investors yesterday announced the formation of the Bank for Saudis-Swiss trade and Investment, to be located in Geneva, AP-DJ reports from Geneva. UBS will have a 60 per cent interest in the bank, which is being capitalised at SwFr 50m (\$29.5m). The bank is scheduled to open in about two weeks.

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New Australian bank has | share capital of A\$30m

BY OUR SYDNEY CORRESPONDENT

FOURTEEN GROUPS covering sidiary of Herald and Weekly major public companies and Times) each with 10 per cent pension funds are the founding of the capital, Stavedoring shareholders of Australian Bank Employees Retirement Fund formed in Australia for more

senior executive position in London with Hill Samuel.

The shareholders of Australian

Bank are Geothite Investments

Ltd., the first new trading bank with 7.5 per cent, Westwools formed in Australia for more Holding with 6.66 per cent, CRA Staff Provident Fund and Shell

The initial non-executive directors are Mr. Agnew, Mr. Lawrence Baillieu (North BH) Sir John Dunlop, Mr. Peter Mitchell (Moonie Oil) Mr. Keith Rosenhaim tMyer) and Mr. Lloyd Zampatti (Swan

(a company associated with Mr. Agnew), Gas and Fuel Corporation Superannuation Fund of Victoria, Moonie Oil Company. Sir John Dunlop is a director of several companies and for the past three years has been Myer Emporium, North Broken senior adviser on Australian Hill, Swan Brewery and West affairs to Banque de Paris et senior adviser on Australian Australian Newspapers (a sub- des Pays-Bas (Parihas).

stake in Mistral

Adia buys

By Our Zurich Correspondent

ADIA SA, the Lausanne-based holding company of the Adia Interim temporary employment group, bas acquired a controlling interest in Mistral Windsurfing AG. Purchase price was

activities in appealing malnly to young people and the sector is experiencing dynamic growth.

Adia itself intends to put its management, financial and marketing experience at the dis-

posal of Mistral to build up international markets. This will he the case particularly in North America, where windsurfing is said to be less common than in Turning mon than in Europa.

Qantas obtains A\$106m aircraft leasing package

BY OUR SYDNEY CORRESPONDENT

international packaga to finance aircraft pur-

The leasing arrangement has been committed in four currencies, Australian dollars, Dutch guilders, German marks, and sterling, which will enable Qantas to make repaymenta from earnings in those curren-cles. Monthly payments will also enable the alrine to minimise foreign exchange fluctua-

The contract covers the recent sale and lease back of two Boeing 747 aircraft and spare engines. The laverage lease was packeged and managed by the Australian merchant banklng group. Chase NBA Group in association with Gatx Leasing Corporation. The lease is Australian-based with the lessor being Longreach Lessing, e company named after Qantas's birthplace in the Northern Ter-

Equity participants in the part of the deal.

agreement are two of the largest airline, Qantas bas obtained local trading banks, the Com-a A\$106.7m (US\$125m) leasing monwealth Trading Bank and the National Bank of Australasia, and the National's Briance company, Custom Credit Cor-

Together they have captributed 17.5 per cent of the funds. The New York bank, Chase Manhattan, arranged the remaining 82.5 per cent. Under the agreement this part of the debt secured against the aircraft in the following amounts: through the Chase Bank AG DM 31m (US\$17m); through Westdentsche Landenbank Girozentrale DM 60m; through the Amsterdam-Rotterdam Bank Fl 53m (\$US27m); and through Manhattan £10m (A\$24m).

The sterling finance is based on UK export financing arranged with the support of the Export Credits Guarantee Department of the UK Government and covers the Rolls-Royce engine

SKANDIA FINANCIAL SERVICES not disclosed. Mistral, whose headquarters Australia Contributory Pension The bank has an issued capital LIMITED are in Nuereosdorf, Switzerland, Fund each with 5 per cent. of AS30m and expects to open is one of the world's leading Investors Pty (associated with for business, initially with an the Angliss family) with 3.33 per cent, M. G. Kailis and Company with 1.66 per cent, producers and distributors of office in Perth, Sydney and Melbourne, in the second quarter wind-surfing hoards. The share purchase, according to M. Henri Lavanchy, chairof 1981. The bank was largely the brainchild of Mr. Garrick and Kyloe Investments (associated with Mr. Johnson) with man of Adia, is an "important expansion" of the group into We are pleased to announce our participation Agnew, a Western Australian tion risks. 0.83 per cent. businessman and formar Olymthe sport and leisure sector. in this newly-formed U.K. subsidiary pian, and Mr. Mark Johnson, a This is seen as being allied to prominent Australian merchant of the Skandia Group. Adla's temporary employment hanker, just returned from a

BANQUE DE PARIS ET DES PAYS-BAS SCANDINAVIAN BANK LIMITED

Bahrain share issue subscribed 680 times

TWO WEEKS of uncertainty over the fate of an Exempt Company share issue, ended yesterday, when Bahrain's Ministry of Commerce allowed the allot-ment of shares to go ahead, desnite an earlier decision to cancel the issue.

Arab International Insurance Company EC (AIIC) offered 2.5m shares at their face value of US\$1 for public subscription. out of an issued capital of \$6m (the authorised capital is \$10m). The allotment is new being made on the basis of 1.47 shares per 1,000 applied for, which indicates that the Issue was 680 times oversubscribed, giving a total for application of \$1.7bn.

When the scale of coverage became apparent after the close of the two-week subscription period, the Ministry suspected that aprications had been duplicated, and refused to accept the result. But after discussions with the company's founders, who are mainly from Kuwait, the decision was reversed.

Exempt companies are not required to have a controlling Bahraini interest — or any local participation — but enjoy the tax advantages. They may not compete in the local market and Bahraini companies and citizens may not apply for abares on public offer, although they may participate as founders.

Ahmed Hubail, the Director of Commercial and Companies Affairs, said that AIIC applied for offshore public company status before the procedure for the registration of subscribers was tighteoed up. Copics of nationality, certificates were therefore accepted in support of share applications, in accordaoce with the old rules, even though it has been a well-koown practice for copies to be hought and sold to enable investors to apply for several blocks of 10,000 sbares (the legal maximum under different names). Last October the registration of public ECs was suspended after the Gulf Investment Company issue was more than 1,000 times oversubscribed. The ban was

lifted two months ago. Mr. Hubail sald that for the Seplember Arab Ireo and Steel Company issue, which was covered 42 times, applicants were required to register beforeband and to produce origical identification documents. The same procedure will apply in the case of the third share float in the present series, for Consoll-dated Gulf Services and Industry Company, on November 22, and sideration for the technology for all future offshore public agreement are Japan's IHI, and the UK's Weir Westgarth. company issues.

Kanhym profits sharply higher

BY JIM JONES IN JOHANNESBURG

KANHYM, the diversified South tions, and particularly to the African farming, cattle feedlot, expansion of the feedlot and coal group lifted pre-tax operation, due to be completed income for the 12 months to Soptember 30 1980 by 136.2 per cent. to R12.55m from R5.31m. The improvement resulted

from better performances by all the company's operations, Favourable weather resulted in better potato, maize and silage crops: feedlot cattle sales increased to 96,000 head from 78,000; and there was a better than average performance from the existing coal mine.

Kanhym also benefited from the exchange of its meat trading interests for a 51 per cent interest in the meat distributor, Karoo Meat Exchange in June.

in 1981, the company's major prospects lie in turning to account extensive coal reserves which are jointly owned with British Petroleum, Full details of Kanhym's participation in the new coal project will be announced early in 1981;

The company, which is changing its year end to December 31 this year, declared a second interim dividend of 32 cents after a first interim of 13 cents. Earnings per share for the twelve months were 120.2 cents against 64.3 cents in the year to end-September 1979. A final dividend for the period to aroo Meat Exchange in June. December is to be declared in Although the immediate outlook is tied to existing opera- it to be 10 cents.

The board warned share-

that, unless the power position

improves and the Government

compensates producers for raw

material and other cost in-creases soon, the company a profits for the current year will be severely affected.

Indian Aluminium ahead

DESPITE SEVERE power shortages which sharply cut production from all its smelters that unless the power position throughout the final quarter, Indian Aluminium Company, the local offsboot of Alcan Aluminium of Canada, raised annual sales to Rs1.41bn (\$200m) from Rs1.36bn a year

Pre-tax profit was Rs153.4m. compared with Rs148m, but net profit was slightly lower at Rs65.7m against Rs68.5m hecause of a bigher provision reserve.

Desalination company for Kuwait

By Leslie de Quillacq in Kuwait KUWAIT, which for years has been buying from abroad the expensive sea-water desalmation units it depends on for its water supply, is now going into the business itself.

The Kuwait Finance Ministry and four semi-public financial institutions bere have recently incorporated the "Kuwait Company for Manufacturing Sea-water Desalination Units" and plao to sign an agreement before the end of the year to buy technology from a foreign company. Among those under con-

Increased interim at CNA

By Our Johannesburg Correspondent

CNA INVESTMENTS, the South African periodicals, book and audio equipment retailer, increased its pre-tax profit by 28.5 per cent to RI.6im (\$2m) in the six months to August 31 despite deconsolidation of its 60 per cent-owned Zimbabwian subsidiary. This compares with R1.25m in the corresponding period of 1979-80 and R5.16m for the last financial year. During the period, CNA opened five new retail outlets.

the company warns that there is a limit to the productivity improvements which can be achieved within the firm's present structure. It is planned to acquire further properties to handle expected growth. The development programme is extensive and, the board warns, will cause temporary liquidity

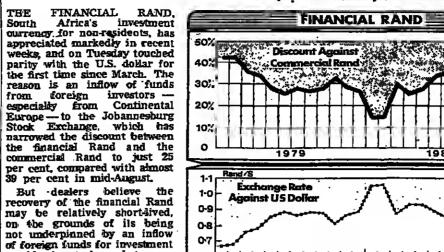
constraints. Even so, in a break with policy of the past few years, the interim dividend has been increased to 7.5 cents, from the normal 5 cents. First-baif eartings per share were 29.5 cents, against 18.9 cents. Though earnings are expected to rise in the current six months, the directors caution that hecause of the demand for earnings to be ploughed back for expansion, and without Zimbabwe's contribution, the final dividend may not be increased by a comparable 50 per cent, from last year'a 28 cents.

FINANCIAL RAND

outside the stock market.

brokers:

Sasol and Golds bring in buyers



0.7

0-6

The financial Raod is widely regarded as a batometer of political confidence in South Africa, allowing non-residents proprietary (ERPM); a surge of interest brokers believe that the issue from Paris and Munich in the may have brought at least to invest both in securities and other forms of productive investment at a discount. shares of Sasol, the scmi-stateowned oil-from-coal producer: Although they have to repatriate capital through the financial Rand market, profits and dividends are payable at the commercial Rand rate. and continuing strong international interest in gold shares, in spite of the wavering in the

major rights for R60m, with 40 shares on Levels, and Rand Mines' East 50 per cent of ERPM shares are

Mincs hald in Paris alone, and R20m in through the financial Rand markel.

The jump in interest in Sasol, which was listed on the Johannesburg Stock Exchange for the first time only last October, has been caused by Three principal reasons The R60m (\$80m) Western October, has been caused by account for the latest flurry. Deep issue closed on October the shares being traded over according to Johannesburg 17, and the ERPM issue—also the counter in both France and West Germany. Brokers estiissues for gold mines—Anglo offer for every 100 held—closes mate that some 2m shares have financial Rand once the effect American's Western Deep today. Rather more than been bought in Europe as a of recent rights issues has been result, causing further demand

for financis1 Rand of some R8m-R9m.

Sasol has been an exception to the rule of the past week, in which foreign investors have moved back strongly into gold shares. Financial Rand bave been created at the expense of such blue-chip industrials as Barlow Rand, while non-gold mining shares like De Beers have also been hit by snch sales, to make Financial Rand avallable for the increased

demand. Foreign exchange dealers report that demand for financial Rand for investment outside the stock exchange remains thin. Whereas in 1979, the first year that financial Rand were available for non-securities investments, more than R500m came into the country for that purpose, so far this year, only ome R200m has been attracted. Dealers say that although there are a considerable number of applications for financial Raod. they are almost invariably for small sums, of less than R1m,

The huoyant foreign demand for shares has meant that other disinvestments—such as International Telephone and Telegraph's recent sale of its stake in Allech—can probably be absorbed without increasing the discount widely, but dealers expect some decline in the

The Hongkong and Shanghai Banking Corporation now offers the broadest representation of any foreign bank in China

Representative Office Room 8024, Peking Hotel, East Changan Street, Beijing 100610 Telex No.: 22429 HSBCR CN Telephone No.: 556257 (Direct) Cable Address: Hongbank Beijing Representative: MP Langley Assistant Representative: PCS Ling

185 Yuen Ming Yuen Road, Shanghai. Telex No.: 33058 HSBCS CN Telephone No.: 218383 Cable Address: Hongbank Shanghai Manager: O J L Barnham

Guangzhou (Canton)

.Liaison Office — Trade Fair Room No. 660, Dong Fang Guest House, 1 Xicun Lu, Guangzhou. Telex No.: 44104 HSBC CN Telephone No.: 69900 Ext. 660 Lizison Officer: J T M Fung

Our China Desk in Hong Kong can advise you on strategy and tactics for approaching the market, contact our Area Manager, A J N Russell at China Desk,
The Hongkong and Shanghai Banking Corporation,
1 Queen's Road Central, Hong Kong; or contact us at any of the following offices:

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Neuer Jungfernstieg 20

18 Rue de la Paix

Werdmnehlestrasse 4

The Hongkong Bank

The Hongkong and Shanghai Banking Corporation Marine Midland Bank, N.A. The British Bank of the Middle East Hang Seng Bank Limited Wardley Limited Mercantile Bank Limited

B13001 K-\$01.80

NEDBANK

Profit and Final Dividend

The Group has decided to follow the international banking practice of publishing iocome before taxation.

The consolidated operating income for the year ended 30th September 1980 before making provision for taxation but after making transfers to internal reserves amounts to R100 200 000, an increase of 38.5%. The net operating income after taxation and minoritles is Ro7 400 000, an increase of 42,1%. These figures are subject to final audit.

Operatiog income after transfers to internal reserves	100 179 000	72 334 000
Less: Taxation	30 917 000	23 204 000
Taxed income	69 262 000	49 120 000
Less: Outside shareholders' interest in the profits uf subsidiaries	1 907 000	1 727 000
Operating income for the year		
attribotable to shareholders of the Nedbank Group	67 355 000	47 393 000
Surplus on the sale of long- term investments	7 366 000	
Fully paid shares in issue Earnings per share	88 203 523 76,4	87 475 497 54,2
Dividends - paid and proposed -	38,0	27,0

Nedbank is the first banking group in South Africa to exceed the R100 million profit mark. The taxed operation income has increased the return on group shareholders' funds from 21.1% to 25,3%.

The Groop maintains its policy of a twice covered dividend. The surplus capital position of the Group after divideod payments is in excess of R50 million, which will enable the banking companies to the Group to pursue a policy of vigorous growth. Total assets increased by 24% to R4 600 000 000. Extraordinary profits on the sale of long-term investments amounting to R7 366 000 were also transferred to reserves. FJC Cronjé (Chairman)

A final divideod of 27 ceots per share is proposed which, together with the interim dividend of 11.0 ceots per share, makes a total dividend for the year ended 30th September

1980 of 38 cents per share. The final dividend will be payable to shareholders of the Company registered at the close of business on 19th December 1980. Dividend warraots will be posted do or about 14th: January 1981. The transfer registers of the company will be closed from 20th December 1980 to 27th December 1980, both

days inclusive.

The Annual General Meeting of Shareholders will be held in
Johannesburg on 2nd December 1980, and the Annual Report will be posted to shareholders on 10th November 1980.

DA Peterson. Secretary

Registered Office: 81 Main Street

P.O. Box 1144 21st October 1980

THE PROPERTY MARKET BY MICHAEL CASSELL

Bredero scheme upset

LONDON TRANSPORT'S plans to jointly develop with Dutch aroup Bredero a £70m office and transport complex at Hammersmith Broadway were thrown into confusion this week with the publication of an inquiry inspector's report criticising the

its UK operations, to redevelop the sixacre site adjoining Hammersmith flyover and Hammersmilli flyover and currently used as a bus ter-

Plans include the provision of 700,000 sq ft of office space, a new garage and transport complex and community facilities. But it is the local commonity which appears to have thrown ao effective soanner in the works and left Hammersmith and Fulham Council. LT and Bredero in something of an awkward position.

A public inquiry held in the examine the Hammersmith district plan was told of the proposals for the Broadway, the last major site In the area to be redeveloped.

But while the scheme had the full approval of the council.

Sive the type of "living preserved for his the preserved for h residents complained vociferously and at creat length test group. that the development would

themselves into a pressure on what was best for LT rather group by the name of People than for Hammersmith.

before Profit and included such Heads went down at King

pedestrians,

For LT, the attraction of the plan was to give consent for a scheme on its land which would finance the proposed bus garage A year ago. LT announced that it was joining forces with Bredero, which is building up the trailway system. Bredero was to provide finance and project management.

The Inspector went away to consider the whole question of the district plan but by August Hammersmith council had already decided to give outline planoing consent to the LT scheine This week, however, the

Inspector's report landed on a the council's King Street headquarters and the references to the Broadway scheme did not make happy reading. The Inspector recom-mended a "significant reduction in the office content and scale of development" to avoid the creation of an over-dominant building mass. He also called for the inclusion of housing for childless couples sence" asked for by the pro-

In a parting shnt. mean there was over 3m sq ft. Inspector suggested that in any of office space in the towo case a bus garage might be centre, which would become a hetter sited on the fringe of ifcloss area dominated by day- a town centre and mused over The protestors, who formed heen hased in some respects the thought that the plans had

local luminaries as Dr. Magnus Street and a spokesman emerged Pyke and actor Tom Baker, said to say that while the council they wanted a more balanced was under no obligation to public inquiry as well.

development which included accept the inspector's argu-housing, community amenities ments, they would be considered and improved accessability for —most likely at a special meet--most likely at a special meeting to be arranged without delay.

On Wednesday, the central area planning committee of the Greater London Council met to consider the Hammersmith scheme and, although the con-tents of the Inspector's report were used by the Opposition in an attempt to get any decision deferred, the GLC gave its approval to the plans. A spokesman commented.

So Hammersmith can ignore The Inspector's suggestions and steamroller on or it can make and publish proposed modifications to the Broadway scheme, though these will clearly have to be susbtantial to meet all his objections.

Mr. Harold Immanuel, one of the forces behind People for Profit, was oaturally delighted at the week's developments. "We are very pleased, though the matter is far from concluded and we are taking counsel's advice with a view to obtaining a High Court injunction restrain the council from taking any further action with regard in the Broadway development until the district plan bas heen adopted."

LT would nnly say that it was studying the contents of the Inspector's report and it will clearly have some hard thinking to do with partners Bredero and the couocil. Whatever the outcome. a. start on development stretches ahead into an tocreasingly mnre costly future and there is always the chance of a

Investment activity still increasing

UK property is striding ahead, for the same period last year. if the latest set of government figures on the sobject are to be

and insurance companies
together put £791m into land
and property during the first
half of 1980 against £494m in
the same period last veer

During the whole of 1979, institutional investment in the UK property sector reached around £1.3bn but if the trend established in the first half of 1980 has been repeated in the secood half, then that total will be left a long way behind,

The figures are boosted by inflation but 3 60 per cent jump in investment cannot be accounted for quite so easily and the implication must be that, despite the growing problenis involved in finding suitable purchases, the pension funds and insurance companies are still pursuing property in a big

Earlier statistics had shown that pension funds pushed more money into property in the first three months of 1980-a total of £199m-than in any quarter since early 1978. But a revision to this figure now shows that the pension funds actually invested 237m in this way during the January-March period.

In the second quarter, pension fund investment declined to £189m but the combined first-half total of £426m compared

As for the insurance comfigures on the sohject are to be believed.

According to the Central of this year to £189m against £176m in the first three months.

> Property unit trusts, however, invested only £33m in UK property during the first half of this year, a fall of £9m from the comparable period of 1979. So properly remains firmly in

> fashion and the institutions remain intent upon pushing up the property content of their portfolios, whatever the short-term characteristics of the market

> This week the Henley Centre for Forecasting said that it did not expect any fall in average capital values for institutional property over the next 18 months, despite the severity of the present recessioo. It seems a lot of people with a lot of money teod to feel the same

• MEPC have completed the refurbishment of 17,000 sq ft of space at 1, Great Cumberland St., WI which has been let to British Gas and Michael Freeman, solleiters, John accuts Leighton Goldhill and Mcliersh and Harding negotiated rents ranging from £13.50 a sk ft to £15. Later lettings have been arranged via Leighton Goldhill at rents of around £16.50 a sq ft.

IN BRIEF Two new

schemes in Croydon

• PROPERTY Growth Assurance and British Rail Pensinn Fund are tn develop a £12m office scheme adjacent to Fairfield Halls, Croydon. Property Growth expects to invest about £2m in the 135,000 sq ft scheme, with the remainder being secured from British Rail at a prime rate nf nnly 5 per cent. Comple-tion is expected in about two years and Property Growth's property fund expects "a substantial profit."

• Still in Croydon, Norwich Union is to develop a £91m office scheme on the corner of George St. and College Rd., opposite East Croydon station. Work on the 53,000 sq ft scheme is expected to start next year with completion in

 Nurth British Properties are to develop a £2m nffice scheme in Dundas St., Edinburgh. The 25,000 sq ft office block should be com-pleted in 1982. Jones Lang Wootton and Kenneth Ryden are retained letting agents.

· Acting on behalf of Lopex. Anthony Lipton has negotiated the surrended of leases held on 7-8 St Martin's Place, Trafalgar Square and let the entire 35,000 sq ft building to Shell UK at a rent of £535,000 a year.

Rodamco prepares for quotation

management group, marched into London this week to search for new investors and to prepare the ground for an ultimate Stock Exchange listing.

The assault on London comes 18 months after Rodamco shares were first offered to the public and follows the arrangement of quotations for the company in Amsterdam, Antwerp, Brussels and Paris. The UK, West Germany and Luxembourg appear to be next in line and a market is already made in the shares in London.

The Dutch operation has been bosy and now has an inter-national investment portfolio valued at over £130m, with properties located in Holland, the

from only 20 per cent since the start of its last financial year. Efforts are being made to secure total ownership, which will help increase its European investment spread. There will, however, be "no early resolution" the situation, according to

The one thing which Rodemeo managing director Willem Engelberts and his colleagues are not looking for in London is property. "We have studied the market here closely and terms.

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THE TOP BRASS of Rodamco, while it is our intention to the property investment arm of have British property in our Holland's £2hn Robeco fund portfolio, the time for investment group, marched ment is certainly not right."

Rodameo blames the strength of sterling and low yields for its reluctance to become involved although at the same time it acknowledges that recent activities have not left it exactly fat with cash for purchase purposes.

But if, for the time belog, Rodemco is not keen on buying in the UK, it believes it at least has something to after for those potential British investors who may feel the same way.

The company's portfolio is well spread and tends to he in areas where prime investment yields are at least traditionally higher than in the UK. Pro-perty interests (invariably done perties located in Holland, the U.S., West Germany, Belgium and France. At the end of September, net assets stood at nearly £100m.

At present, it holds an 85 per cent stake in European Property cent stake in European Property cent of its assets are in retail Investment. (Enpic), built np schemes, which have in recent years achieved above average rental growth.

As for the UK, Rodamco's offer of a slice of international real estate may prove attractive to individual investors or smaller pension funds. In its first year, the fund achieved a net return on assets of about 5; per cent although unfor-tunately the share price (calculated daily on a net asset per share basis) fell in sterling

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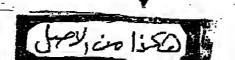
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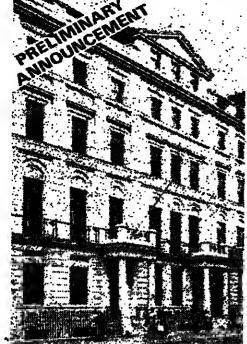
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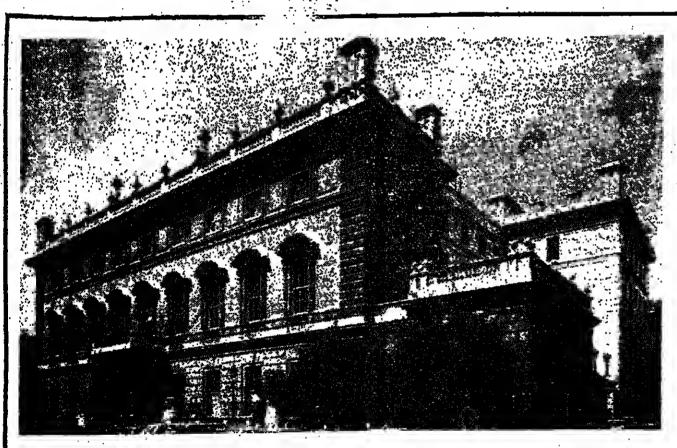
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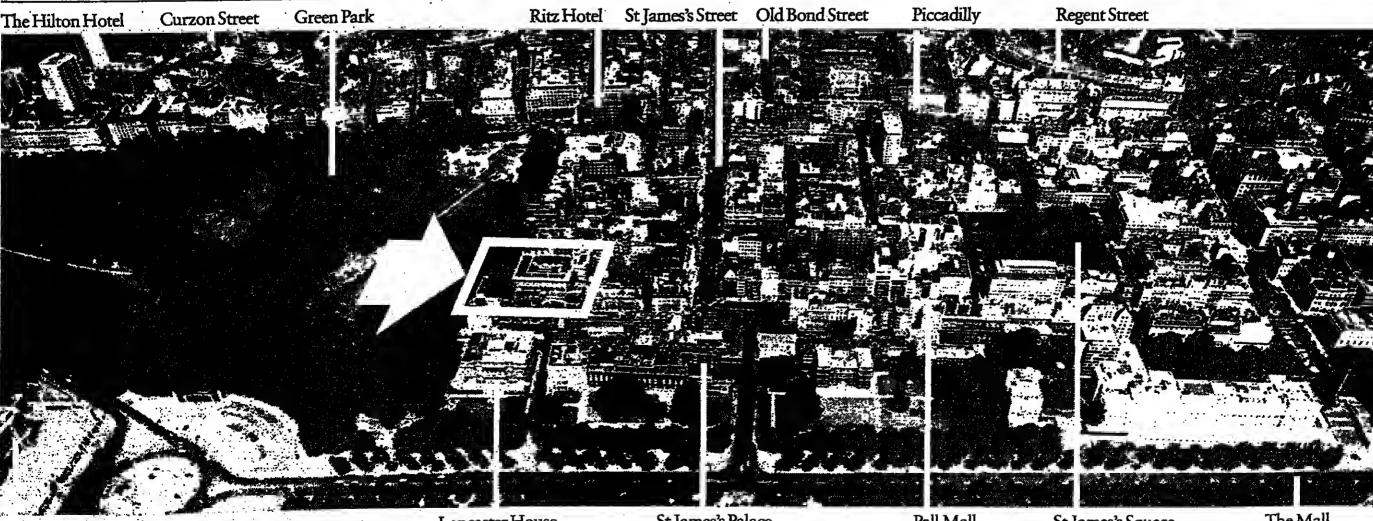


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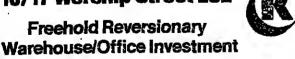
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£70.009, Write 8ov TS268 FinancialTimes, 10 Cannon Street, EC4P 48Y.

Hotel/Restaurant

WEST COUNTRY

Georgiam Gent of elegance and chem. Sia beds. 6 bethrooms. auperb separate owner's accommodation, etc. Recommended by leading guides for cuisins and comfort. Feature grounds of 2 acres. Good profits and potential. Substantial price. Fraehold, etc.

Crisp Cowley, Chartered Surveyors, York Street, Bath (0225) 62621/5.

INVESTMENT PROPERTY

ten Gen of slagance and

APPOINTMENTS

Managing Director £20.000+

MK Refrigeration Ltd., leading manufac-turers of bar cooling and other refrigeration equipment for the brewing and catering trades, seeks a Managing Director who will be fully profit accountable and capable of implementing the Company's expansionist five year plan. Starting salary negotiable above company car and

Leicester

Preferred age 34-46. Candidates will have risen to general management through any of the main functions, providing they have strong manufacturing and marketing orientations and a sound knowledge of finance. Commercial flair and powers of leadership are essential. A Main Board appointment is a real prospect in a group backed by the financial resources of Charter Consolidated.

For a full job description write in confidence to W. T. Agar at 78 Wigmore Street, London WIH 9DQ, showing clearly how you meet our client's requirements, quoting FT/2113. Both men and women may apply.

John Courtis and Partners ...

COMPANY NOTICES

SNIA VISCOSA APPLICAZIONALE INDUSTRIA

Reference is made to the Notice in the Financial Times: of 20th Cylober, 1980, detailing the capital restricture of SMIA VISCOSA and the rights issues being made to share-bolders. A summer' of the mash, points of the most is swillable from the rights issues being made to share-bolders. A summer' of the mash, points of the most is swillable from A monitors of the most issued to the control of the mash, points of the most issued or the most included in the control of the control of the mash, points of the most included in the control of the c

UDDEVALLAYARVET AB 74% GUARANTEED NOTES 1983

ECUADOR BONDS

S. G. WARBURG & Co Ltd., ennoance that the seventh instalment of Bonds that the seventh instalment of Bonds for a nominal value of U.S.3.200,000 have been purchased for the redemption due on Tst December 1980.

U.S.3.3.900,000 nominal Bonds will remain outstanding after 1st December.

30 Gresham Street, Lordon EC2P 2EB. 31st October, 1980.

LEGAL NOTICE

PREVENTION OF FRAUD (INVESTMENT) ACT 1958

NOTICE IS HEREBY GIVEN that

1. Stand Payma Paraonal Financial Sarvices Ltd., of 22 Silling. Street, London, E.C.3, her reinquished the Principol's licence issued pursuant to Section 3 of the Act. having cessied to carry on the business of dealing to securities.

2. Silend Payno Personal Financial Scr. vices Ltd. has meds sophication to the Gravillation of Fraud (Investmento) Depools Regulation for the Prevention of Fraud (INVESTMENT) Depools Regulation 1944 (S R & O 1944 No. 541) for the reloses of the funds decosited in oursuance of Section 4 of the Act.

3. Any persone having a claim on the funds representing the decosite should send their names and addresses and desists of their claim to the Assertant General Section 7 and Secretary. Companies Division, Department of Trade, Senetuary Burdaings, Ister than Friday 14th Novamber 1980.

hopesate. 1 ECZP ZAA 31st October, 1980.

BUSINESSES FOR SALE

FOR SALE

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ON AFOR

THE SCOLAR PRESS. ILKLEY, YORKSHIRE,

k a printing and book production business. In addition to books for the commarcial markat it specialises in high-quality reprints and facsimiles for the rare and antiquarian sectors, and for other scholarly end research activities. Net Assets approximately £500,000

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net asset value. Apply for further information to: David Robinson, Company Secretary, Bernrose Corporation, PO Box 52, Wayzgoose Orive, Derby, DEZ 6XP or tel. Derby (0332) 31242

CALIFORNIA

USA A rera opportunity to acquire a modern 22-usit motel in superb year-round resort of Casert Hot Springs, near Palm Springs. A natural hot spring is a great health attraction, targs pool and asuna. Tropical gardens and owner's Spaniah atyle home. US\$725,000 with 29% down.

Principals only write: Richard Cooper, Town & Coun PO Box 142, Sig Sear Laks California 92315. UGA Business opportunity and miningration counselling available

FOR SALE Engineering/Fabrication Company. NORTH-WEST ENGLANO

Excellent purpose-built workshops hald on loan lease at low rent. Torageal around £2m. Good prohis. outstanding prespects besed on already comments and connections. Principals only apply to: Box G6660, Financial Times

KITCHEN CENTRE FOR SALE Kitchen canira. Furniture and exclusiva gitts. Excellent North London Show-room 7 years to run on lease-review le run was Eschusive rights London and Southern England tor costom built. English made cottage styla kitchen. Fastastic potential. Mny consider asiling 50°s only with 50°s held by manofactures and for whole in the region of £24,000.00 including existing stocks. Accuracy and httings. Up held by manofacturer. Price for whole in the region of \$24,000.00 including existing stocks, fixtures and fittings. Up to data turnover of £130,000,70 current financial year to 30th Sept 1980, £10,000.00 plus Tax Loss now withing profitably, Would suit working Oirector. Possible loas available Genulea reason for sala Write Rox C6660, Financial Times. 7 10 Cannoa Street, ECAP ABY

WEST YORKS. Company for Sale

Manufacturers of Insulated building panels. Tax losses £120,000. Write Box G6675, Financial Times, to Cannon Street, EC4P 4BY, for full details,

FOR SALE Well established TRADE AND TECHNICAL MONTHLY JOURNAL With £150,000 annual turnover Write Box G6643, Financial Times, 10 Cannon Street, EC4P 4BY.

NOTELS AND LICENSED PREMISES

100

RFORDSHIRE TOWN. Freshold leisure complex, compresing public house, of licence, restaurant. Coffee Shop and extertalismany centre. Takings in the moson of \$500.000 per anoum, For Lie as coling concern, Apply Edwards. Riswood & Bewilsy, 13 Horse Fair. Sanbury, Tel: 10295) 50484.

FOR SALE BY ORDER OF THE RECEIVER R. ST. J. BULLER

OF THORNTON BAKER, BEDFORD.

GENERAL AND PRECISION ENGINEERING BUSINESS

Well established General and Precision Engineering Company in Hartfordshire. Lassehold premises of approximately 10,000 sq. ft. Woll equipped workshops and offices including ancillary tooling and stocks of bar and sheet steel. Fully staffed.

For further information contact: Herring & Co., Homestead House **Surrons Lane.** Chalfoat St. Giles. Amersham, Bucks.

Tolephono: 02404 5297

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Unique Design and Construction

Prototype won 1979 Spithesd Trophy achieving 45 Well received 1980 Bost Show. Being adapted as very fast patrol boat with overseas interest. Other adaptations possible. LOCATION SOUTH COAST

Particulars available from 01-831 7130 ext. 600

Ladies Fashions and Sports and Leisure Wear

This wholly-owned manufacturing eubsidiary is ovalleble for ease lottowing a change in corporate atrategy of the Perent Group. PRODUCTS A mid-market leage of jacksts, Ekirts, atc., and a variety of aports and lossure clothing. CUSTOMERS Major UK Mail Order & Retail Gloups, and export |25%). TURNOVER c.£3.5m.

FACILITIES Modern well equipped premises is Northern-England. ENQUIRIES: From Principals only to the Charmes

Write Box G6663, Financial Times, 10 Cennon Street, EC4P 4BY

ENGINEERING COMPANY FOR SALE

Automatic Turned Parts. Sales £300,000, good profit record. 20% own products of T/O. London. L/H Building. Asset Value plus £75,000, would consider merger. Replies please to Griffith, Miles, Sulty and Company, Tel. No. Slough 35533.

THE BUSINESS is a Midland-based SCRAP METAL PROCESSOR

With a fullnover in excess of 750,000 per enaum. Glear potential for further expansion.

Sale price of £300,000 envisaged Write Box G6654, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE due to Company Rationalisation GREY IRON FOUNDRY Sneeted-in Wasi Yorkshire liaving easy access to motorway network. Favourable lease (or possibly free-hold) available on premises. Please write to:

RONALD TEEMAN & CO. Solicitors, Aira House, 12 Swinegeta Leeds LS1 4AJ

FOR SALE

MANUFACTURING JEWELLER Tumover in excess of £2m and profits in excess of £2m For lurther details please write to; K. G. White, Thomton Beker Kennedy Tower, St. Chads Quecesway, Birmingham B4 65L

CHANNEL ISLANOS, Substantial hair-dressing concarn showing excallent profits. Modern flag included. Price £110.000 leasehold. Wriga Box G566. Financini Times. 10 Cannon Street. ECAP 46V.

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SALE BY AUCTION

PAPERBACK BOOK and COMMERCIAL PRINTERS, BOOK-BINDING, PHOTOCOMPOSING, INTERTYPE and MONOTYPE
COMPOSING PLANT and MACHINERY 200 KVA Diesel Generator Motor Vehicles and Range of Trucks, Office Equipment,

Fixtures and Fittings C. NICHOLLS & CO. (In Receivership),
The Philips Park Press, Mill Street, Manchester.
By Order of the Receiver: F. W. Taylor, Eq., FCA
ON
TUESDAY and WEDNESDAY. 11th and 12th NOVEMBER, 1980
On View: Day prior and days of Sale
CATALOGUES available at the Works or Irom the AUCTIONEERS:

COLEBROOK, EVANS & McKENZIE,
Printere Auctioneers & Valuere
5 QUALITY COURT. CHANCERY LANE LONDON WC2A 1HP
Tel: 01-242 1362/9

ICE CREAM MANUFACTURER

REQUIRED

Family controlled Group of Companies wishes to acquire a apecialist quality Ice Cream Manufacturer.

If you could be interested in discussing this matter, please write to Box G6672, Financial Times, 10 Cannon Street, EC4P 4BY.

COMPANY

ACQUISITIONS

OFFSHORE INVESTMENT

COMPANY SEEKS

ACQUISITION OF COMPANIES

WITH SUBSTANTIAL

PROPERTY OR FIXED OR

LIQUID ASSETS

Straight cash deals preferred with no retained minority holding, no share for shares exchange and no coalinning directorships. Replies in strictest confidence to

The Chauman, Box G6401

Financial Times 10 Cannon Street, EC4P 46Y

SHELL COMPANY

REQUIRED

TOOD & BENN HOMES LTD.

Atlantic Industrial Complex Dunnings Bridge Road Bootlo, Mercoyside L30 4UZ

Tel: 051-521 2404

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A major Group

of Companies

Wishes to acquire an established

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MANUFACTURING AND/OR HIRE AND SALE BUSINESS.

Turnover in excess of

£3m regalred. Must be profitable and well

managed Write Box G6668, Financial

Times, 10 Cannon Street, EC4P 4BY.

COMPANY

WITH FUNDS AVAILABLE

To assist, merge, or take over existing business that needs

FINANCIAL HELP AND

KNOW-MOW. Write in first instance to Box G5664, Fineactal Times to Cannon Street, EC4P 4BY

BUSINESSES

Immediate Sale-Realistic Price

Machine Shop & Tool Room Camborne, Cornwall

Established general angineering and toolroom facility. Excellent 20,000 sq. ft. leasehold factory. Staff of 35 highly skilled parsonnel and factory management availsble. All plant and aquipment less than 5 years old, over-

The plant includes a K. Richards horizontal borer, 2 Ram Baudi milling machines, 1 Beaver vertical machining centre, 1 Moog vertical machining centre, 12 Bridgeport mills with digital read-out, 2 Jones & Shipman grinders, various lathes, drills, saws etc.

Please reply to R. S. Evans, Director, Lesney Products & Company Limited, 93 Burlsigh Gardens, Southgate, London N14 5AQ. Tsl: 01-882 3811.

By Direction of G. Harrison and R. E. Adkins, Thornton Boker, Joint Roceivers

. FOR SALE

ASSETS OF GLASS CONTAINER MANUFACTURER-WEST MIDLANDS

Company produces glass containers including mineral, cordiel, k, sauce and vineger botiles, and pickle and jam jais. The factory Freehold and contains over 93,000 ag it in a popular location close the M5 "Motorway. The Company rant over 200,000 ag ft of rehouse space on altractive terms close to the factory. The Company has 3 glass lumaces with a local capacity of 225 tons per day and 6 bottle forming machinas with all associated aquipment. The batch plant is fully automously and there is a nilway isothiny. There is a modern transport flagt for nationwide delivery. There are 310 amployable and the company has a furnover of approximately £7m. The Joint Receivers with consider a Sale of all or pert of the assets.

> **□**□**Grimley** & son **021-236 8236**

Apply: O. LOWE

Australia Steel Fabrication and Construction **Business for Disposal**

A public company wishes to divest itself of a wholly-owned Division which

Supplies steel plate products to major petrochemical and mining companies and 10 state utilities. Has its own construction units in several States.

Has a capebility for building pressure vessels, large diameter ranks, etc.

The Ovision has a sales turnover of AS7 million.

Apply 80a G6576, Financial Times, 10 Cannon Street, EC4P 48Y.

Record Retail **Business for Sale**

with average profits over the past 3 years of £40,000 per annum

The business is the largest Record Retailing business in a prime position in the locality and is an ideal acqueint for pwrimers withing lar existing retailers in count in South Yorkshire Also, a sound injestment as a becage against inflation Please write Box 56677. Financial Times, 10 Cannon Street, ECAP 48Y.

MECHANICAL HANDLING NORTH OF ENGLAND

FOR SALE rivate Company, Immover approxi-mately Elm. Established manage-maar will romain. Confidential enquines from pricerpals only to: 8 M. J. Lillay: Solicitor, 575 Barlow Moor Road, Cherlton cum Hardy, Manchestar M21 ZAE

Business with sole concession to the UK & Ireland for the sale of

JAPANESE SPORTS

PRODUCTS

Stock, debrors and goodwill con-sidered to be worth in the region of E120,000. For further information please write to: K. G. White, Thomton Baker Koanedy Towar, 5t, Chads Queensway, Strmingham B4 6EL

Specialist Advanced Design Racing

Rowing Shell Manufacturer for Sale

Olympic, World Championship and Henley

medal winners.

Turnover in excess of £600,000

with over 50% exported.

LOCATION SOUTH-WEST LONDON - moveable.

Particulars available from 01-831 7130 ext. 600

FREIGHT FORWARDING

FORWARDING AGENTS

WANTED

A major International Shipping Group wishes

to acquire Forwarding Companies who have been

established for at least five years.

Continuity of management preferred. Advantageous

but not essential for prospective vendors

to demonstrate involvement in any one of the

following:

★ Groupage Services

★ Deep Sea/Iberian Peninsular/Eastern Europe

* Rail Forwarding

* South of England

Write Box A.7330, Financial Times, 10 Cannon St., ECIP 4BY

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COMPANY WANTED

Subsidiary of Public Company would tike to acquire e company angaged is alorage and distribution on a netional or regional basis. Pro-lax profits should be in excess of £100,000 per ansum.

OLD ESTABLISHED SPECIALIST PROFESSIONAL TRANSLATION GROUP

FOR SALE
Wall established business in the field of installation and maintenance of conner heating systems in the Home Counties. Last sudited accounts indicate the of £340,000+. Business ead goodwill to peas with beaefit of unitable confinuing maintenance contracts. Replies to 80x 66656, Financial Times 10 Connent Street, EC4P 4BY

Glass Merchants

For Sale

N.W. LONDON

Freehold Approx. 6,000 sq. ft.

PILKINGTON'S ACCOUNT

Write. Box G6562, Financial Times 10 Cannon Street, EC4P 4BY

FOR SALE

Established Interactions: Hautler with own European propugage operations, Modern Geet, good spends and large permit allocation, Impressive customer base. Skuated in Yorkshira with

facilities le London libs represents on excileet opportunity for a Company wishing to enter this beld or an established operator wishing to run his own flect.

Write Box G6667, Financiel Times 10 Canada Straet, EC4P 46Y

government and Internetional for whole or part interest TEL: 01-242 4241

WANTED

PUBLIC QUOTED

COMPANY

HAS SUBSTANTIAL LIQUID

ASSETS
SEEKS COMPANIES WITH

GOOD PROFIT AND

PROSPECTS
Write 8oa G6655, Finaacial Times
10 Cannon Street, EC4P 46Y

Ospats Inroughout North of England totalling approximately 700,000 sq ft in area. Excellent occupancy lavel with blue-chip customers. Also subsidiary transport company with 30 H6Vs, and purpose-built deport Total annual tunnover 12m. Holding company will consider disposel of all or part of the operation. Wine Box G6678, Finencial Times, 10 Cannon Street, EC4P 4BY.

LARGE

PUBLIC WAREHOUSING

COMPANY FOR SALE

OXFORD WORD PROCESSING PHOTOCOPYING BUREAU

With terrific potential and space for expansion of services. Goodwill and essets, including

Principals only. Wine Box G6641, Financial Times, 10 Chanca Street, EC4P 46Y.

ease.

RENAULT DEALERSHIP

FOR SALE IN YORKSHIRE FREEHOLD SITE

WELL ESTABLISHED BUSINESS Write Box G6639, Financial Times, 10 Canson Street, EC4P 4BY.

TIMBER PRODUCTS BUSINESS

Group wishing to concentrate on main activities sacks sale as going content of timber business manufacturing fances, sheds, cases, pallers and arection of all types of concing. Turnover £370,000. North Vital Sor G6670, Financial Times 10 Carnos Sueel, EC4P 46Y

SOUTH WORCESTERSHIRE

Details from

STAINLESS STEEL STOCKHOLDER

London Area - Fully equipped Tiad Customers - Large t/o Tied Customers - Large to Suit Plate and Coil Mill Winta Boa G6674, Fraancial Timas 10 Caanon Straet, ECAP 48Y

Luxton & Lowe Ltd Specialist Agents in the SALE & PURCHASE OF HOTELS/CATERING & NURSING REST HOMES

Business Chambere Surlington Road, New Malde Gurrey - 01-949 5451 - PBX

INDUSTRIAL

CLEANING CO. Highly Profitable CLOSE COMPANY FOR SALE T/O £250,000 Enquires to: BLANCHARD, SINGER & CO. 115 Penny Lane, Liverpool L18 1DF Tel: 051-733 1473

BUILDERS and Manufacturing Joiners, Edunburgh, for Sale, family private com-page, Laroa premises in cety centure, 6 figure Capital regulated, owners training, Write Box C6673, Flancia Times, 10 Ganon Street, EC4P 4BY,

INDUSTRIAL DEVELOPMENT BANK OF ISRAEL LTD. 7% Guaranteed Loan 1982

S. G. WARBURG & CO. LTD., announce that 8 ands for the nomingl value of U.5.51,350,000 have been drawn in the presence of a Notary Public for the ninth redsmption (assalment due on 28th November, 1980.

The serial numbers of the Bonds drawn are as follows:

BOND DRAWINGS

Dn 28th November, 1980 there will become due and payable upon each Bond drawn for redemption, the principal amount theroof, rogether with accrued interest to said date at the office of:-S. G. WARBURG & CO. LTD.

30, Gresham Street, London, EC2P 2E8, or one of the other paying agents named on the Bonds.

Interest will cease to accrue on the Bonds called to: redemption on and after 28th November, 1980. Sonds so presented for peyment must have attached all coupons majuring subsequent to

U.5.S2,850,000 nominal value will remain outstanding after 28th November, 1980. The following Bonds previously drawn for redemption on the dates given below have not yet been presented for payment.

28th November, 1974 14552 ~ [Bond prescribed on or efter 28th November, 1960] 28th November, 1975 3958 28th November, 1976 28th November, 1977 2157 28th November, 1978

28th November, 1979 7 16 3018 11337 13548

30, Gresham 51reet, London, EC2P 2E8.

31st Dolober, 1980

TOKYU DEPARTMENT STORE CO. LTD.

14075 14118

COMPANY NOTICES

EUROPEAN INVESTMENT BANK

73% 1971/1981 FF 100,000,000 On October 20. 1980, Goads for the amoum of FF 8,840,000.- have been drews for isdamptica.

The drawn Goads are redeemable at par, Coupon No. 10 strached, on and ster Occamber 10, 1980.

17.253 to 19.020 incl. Amount purchased on the market: FF: 25,160,000. Amoum outstanding: FF 34,000,000.-

Outstanding drawn bonds: none THE FISCAL AGENT KREDIETBANK 8.A. Luxa Luxembourg, October 31, 1980.

BANQUE FRANÇAISE OU COMMERCE U.S.S 25.000,000.- FLOATING RATE NOTES QUE 1983

in accordance with the provisions the above notes, the rate of interest fine period October 29th, 1980 to Ac 29th, 1981 has been feed at 141. Interest due oa such date will be oav-le voon Surrander of Coupon No. 9.

BANQUE INTERNATIONALE A LUXEMBOURG SOCIETE ANONYME

TOKYU DEPARTMENT STORE CO. LTD.

NOTICE TO EOR HOLOERS
Further to Notice of September 16.
1980, The Chase Maehaliae Baok, N.A.,
aenounce that the intain cash divided
of Yan 3 00 per share has been convarted
for U.S. Dollips and emounts for U.S.)14.02
gross per EOR. All presentations will be
subject to deduction of Japanesa with
subject to deduction of Japanesa will be
subject to deduction of Japanesa willhololing ray decembing upon the residential
status of the claimant and the apolication
of any Double Tax Trasty concluded by
cases withholoing las or SIT.02 nc
dates dealing the claimant and the apolication
of any Double Tax Trasty concluded by
cases whare a withholding rate of lass
than 20% is to be used
Accordingly. EOR holders may present
Coupse No. 2 forthwith at The Chase
Manhartan Bank, N.A. Woolgate House,
Coleman Sirect. London EC2P 2HO, 91
SI Chase Mabalian Bank Luxembourg
SI Chase Mabalian Bank Luxembourg
SI Chase Mabalian Bank Luxembourg
New York, Avanue des Arts SB, 1040
Brussals, or al Kradiatlanh S.A. Luxembourgeoids. 37, rue Notre Oame,
Luxembourg.
THE CHASE MANHATTAN CANK N.A. THE CHASE MANHATTAN CANK N.A.
LONDON as Depository Ocrober 1000 JAMES BEATTIE LIMITEO

JAMES BEATTH

NOTICE IS HEREST GIVEN that the
Transfer Books relating to the 5'-15. First
Transfer Books relating to the 5'-15. First
Martgary will be closed from 8th to 15th
Company will be closed from 8th to 15th
November. 1980. both dares metusive.
November. 1980. both dares metusive.

By Order of the Board

G. T. LOWNDES
Secretary

71.78 Victoria Sirect. Wolverhempioa.

CK MARKETS

Companies and Market	8		WORL	D STO	CK MAR
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NEW YORK — no Oct. Oct. Oct. Oct. 99 987 37 elindustr'is 828,18 952,58 881,74 945,8 H'me B'nds 88,88 88,88 86,81 64,8 Transport. 355,74 353,84 365,14 375,4 Utilities 111,43 111,83 112,81 112,7 TradingVol 000's† 37,200 48,300 34,430 41,22 eDay's high 241,54 1ew 985,68 Ind. div. yield ₹ Oct. 2 6,7 STANDARD AND POORS Oct. Oct. Oct. Oct. 99 99 27 24 ###################################	23 22 High Low High Low 8 959.61 956.12 314.57 752.18 1081.78 41.22 122.8) (21/41 11173) 157/521 1 86.58 86.84 78.81 58.61 1 52.65 86.84 78.81 58.61 1 52.65 122.10 117.75 1 112.85 115.07 115.88 96.04 165.32 18.52 1 148.650 48.220 — 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 1 12.65 12.65 12.65 12.65 1 12.65 12.65 12.65 12.65 12.65 1 12.65 12.65 12.65 12.65 12.65 12.65 12.65 1 12.65 1	AUSTRALIA Sydney All Ord. (195 Metal & Minrie. 193 AUSTRIA Gredit Aktien (2/1,58 BELGIUM Belgian 3E (61/12/65) DEMMARK Copenhagen SE (1/1 FRAHCE CAG General (29/18/8 Ind Tendança (28/12/66) Commercibanki Dec. HOLLAND ANP-CBS Ganeral (18/ANP-CBS Indust. 118/ANP-CBS Indust. 118/ HONG KONG Hang Seng Bank (61/1) TALY Banca Comm. Ital 11 JAPAN	10 16.75 1005.52 1005.56 1005.88 1025.29 8 58 6875.78 8777.48 8761.25 8785.82 7025.52 1 88.88 66.88 68.81 67.50 98.40 89.96 90.56 09.28 89.84 105.75 1751 98.80 88.81 96.70 04.72 96.72 110 119.0 118.8 118.0 117.5 118.4 118.0 117.5 118.0 118.0 117.5 118.0 117.5 118.0 118.0 117.5 118.0 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.0 117.5 118.0 118.	(20:18) 750.86 (2/1) (20:18) 4561.25 (22/8) (17/3) 65.56 (19/8) (11/2) 85.93 (21/10) (27/10) 74.72 (5/8) (60/10) 87.1 (3/1) (15/8) 93.5 (3/1) (25/2) 818.73 (27/5) (25/2) 887.8 (27/5) (25/2) 74.0 (27/5) (11/1) 98.2 (24/5) (27/10) 788.8 (10/5)	Nthn. Telecom
Long Gov. Bond Yield 11.80	Falls	Tokyo How SE (4/1/8) HORWAY OSIO SE (1/1/72) SINOAPORE Strakts Times (1988) SOUTH AFRICA Gold 11558) Industrial 11858) SPAIH Medrid 9E (29/12/78) SWEDEH	17 484,83 482,54 481,89 401,86 497,98 484,83 482,54 481,89 401,86 497,98 124,24 124,42 123,68 124,14 144,70 985,76 981,87 853,27 864,02 671,82 (u) 954,8 305,8 884,8 1026,1 10) 950,6 848,1 642,1 650,9 (c) 111,17	(20,16) 449,61 (10/5) (14/2) 119,12 (28/6) (25:10) 029,76 (6/1) (22/9) 849,5 (2/7) (29/10) 456,0 (2/1) (10/2) 85,76 (15/6)	Cont. 60

Gull Oil 17adad 492,600 Raistina Purina 470,400 Art. Richfield 384,300 18M 283 800 Care Power 375,600

Base values of all indices are 100 except N and Poors—10; and Terento—1,000; the last nambonds: \$400 industriels, \$400 industriels plus 20 Transports, c Closed, α Unavallable.

Oils lead early Wall St. fall

lection hanging in the balance,

there was little to stimulate buy-Meanwhile, the surprise Cana-dian proposals to take up to a 50 per cent stake in oil and gas production and buy some com-

panies outright continued to trigger selling of Oil and Gas issues, 6 group that has been s market mainstay for months. The Dow Jones Industrial Average was 3.75 assiar st Avyrage was 3.79 dasial st 925.43 at 1 pm, while the NYSE All Commoo Index lost 27 cents at \$73.53 and falls led rises by 6 two-to-one margin. Voluma amounted to 25.81m shares, comared with 25.51m at 1 pm on Wednesday.

wednesday.

Sun dropped 48 to \$484. It said its Suncor unit would he severely hurt by the Canadian procosala. Canadian Pacific fell \$4 to \$39 and Canadian Pacific A to 539 and Canadan racing Saterprises 15 to \$231. Drilling sommanies also lost ground. Reading and Bates shed 15 to 5388, Halliburton 15 to \$1381. nd Zapata 11 to \$541.

Johnson and Johnson surged to \$811. It has raceived Food

and Drug Administration approval to sell a new prescription pain killer.

THE AMERICAN SE Market Value Index retreated 6.42 more to 337.99 at 1 pm op volume of 6.07m sbares (4.33m).

Canada

ED BY tha Eoergy sector, narkets fell sharply over a road front yesterday morning in ery octive trading Initial reaction to the Fedaral nergy plans adversaly affected oly the Oil and Gas sector on

Closing prices for North America were not available for this edition.

ednesday, but yesterday évery

Dome Petroleum dropped C\$7 to C\$67, while Dome Mines, a major shareholder, fell C\$9 to C\$136.

Tokyo

Wednesday's good recovery was extended yesterday io another fairly active trade as investors sought Blue Chips, especially in the groups of Light Electricals and Precision Machinery Mekers. Large-capital shares rebounded for the first time in several sessions with the help of foreign purchases.

help of foreign purchases.

The Nikkei-Dow Jones Average gained 11.25 more to 7,124.78 after the previous day's rise of 25.09. The Tokyo SE index added 1.15 at 494.69, but with tha buying concentrated in salective issues, declines on the First Market section outnumbered rises by 361 to 279. Volume came to 320m chares (350m). Matsyshita

buoyed by the good third-quarter "unhalicevable" extent of the results, climbed Y15 to Y916.
Elsewhere among Light Electricals, Sony rose Y70 to Y3,160 and TDK Electronic Y40 to Y3,200.

Watch Motor advanced V11

axpressed amazement over the "unhalicevable" extent of the market surge. The Banca Commerciale Italiana index advanced 5.69 to a peak for the year of 180.12.

Buying, as a refuga investment cover the market surge. The Banca Commerciale Italiana index advanced 5.69 to a peak for the year of 180.12.

Electric.

Y3,200.

Hönda Motor sdvanced Y11 to Y556, Fuji Phntn Film Y30 to Y325, Canon Y12 to Y777, Hitachi Y10 to Y344 and Toshiba

Hong Kong

BELGIUM (continued)

olvay..... raction Elect.

DENMARK

Oct. 60

Andelsbanken ... 118,4 Baities Skand ... 329 Burm & Waln ... 25 Cop Handelsbak 119,4

East Asiatio 141.2 Finansbanken..... 189.4

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Price

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HOLLAND

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ohrmann-Tet

Ommoren (Van) 22.7

Phillips..... Rijn-Scholds

Oct, 30

NORWAY

Swedish Match... 107 Uddaholm....... 47

AHIC 9.75 + 0.85
Assleur Con. 98,000 + 3,450
Banca Com'le 49,800 + 900
Bastogi Fin 737.5 + 10.6
Centralo 24,000 + 10
Gredito Varesino 19,980 + 1,480
Finsidor 960 + 10
Invest 4,200 + 385
Italisidor 347 + 9
Montedison 928 + 5,25
Cifvetti 5,160 - 30
Pirelii Co 6,549 + 199
Pirelii 90A 1,565 + 86
Bnia Viscosa 1,310 - 22
do. do. Priv. 1,010
Toro Assie \$6,925 + 2,485
do. Pref. 18,800 + 1,469

Prie: + e

Hitach!
Hitach! Kok!
Honda
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JACCS.
JAL

-5 +20 -3 +3 +12 -8 +2

-1

OGEM....

Price Fis.

entered the market later lo the morning to support the Jardine and Land share prices, which had fallen to HK\$28.00 and HK\$19.50 respectively, and the

session down 11 points. The same broker made 6 further sortice into the market in the afternoon to force up the two companies' shares, and Jardine finished unchanged on belance at HK\$30.25 and Land 2

index finished the morning

pet 80 cents off at HK\$20.60. ost 80 cents off at HK\$20.60.
Other shares generally moved in sympathy, with the leaders recording mainly modest declines on the day.
Outside the leaders, Green Island Cement lost 50 cents to HK\$63.00 and Hong Kong Hotels slso 50 cents to HK\$68.00, but Chins Light gained 20 cents to

Chins Light gained 20 cents to HK\$23,80 and Hopewell 70 cents to HK\$17.70.

Milan

Stock prices showed renewed buoyancy and several brokers axpressed amazement over the

sgsinst mounting inflation was the major factor attracting new investors and large capital, brokers said.

Australia

The market closed lower but doldrums of the past week in a The market closed lower hut well above the day's worst after a session of volstile treding, with the Hang Sang index anding a pet 14.88 down at 1,436.50. Turnover remained heavy, amounting to HK\$664.23m, against Wednesday's HK\$672.33m.

Thare was ganeral antipathy in the market yesterday to an announcement on Wednesday and Minerals subgroup index 98.27 to 6.875.78.

The Oils sector, which has

AUSTRALIA

HONG KONG

FURTHER WEAKNESS in Oil and Gas issues highlighted a general decline. The Toronto Composite index another fairly active early trade yesterday.

Analysts 22id with interest rates expected to go higher and the outcome of the presidential of the pre to AS1.90 on hopes that Piercer Concrete, up 2 cents at AS2.52 would raise it offer from AS1.79

10 31

per Ampol share. Woodside Petroleum put on 10 cents to A\$3.50 and Cluff Oil 6 cents to 54 cents. Amadeus Basin explorers mostly moved further ahead, Magellan adding 30 cents at A\$11.50 and Olimio 5 cents of A\$4.05, but Plinders receded 15 cents to A\$1.80.

Among Oil Shales, Central Pacific gained 40 cents to A\$10.30. Southern Pacific 20 cents to A\$3.95. Esperance 30 cents to A\$5.00. Greenvale 20 cents to A\$4.30 and Pan D'Or 35 cents to A\$3.50.

Among speculative Gold Issues, Kitchener rose 80 cents in ASS.00, Metada 65 cents to AS2.30, Square Gold 40 cents to AS2.75 and Cliffminex 10 cents to AS1.38.

MIM sdvanced 20 cents to A\$5.60 after news that it bad bought the controlling interest in the ASSOOM Oaky Creek coal project. Coal concern Oakbridge were 35 cents up at A\$4.65.

Germany

Shares remained earlorincilined to light trading, with
continued Bond market
weakness and expectations of
higher U.S. interest rates
keeping sentiment depressed.
Public Anthority Loans were
as much as 50 pfennigs lower,
with the Bundesbank purchasing
s further DM 61.9m nominal of
stock. stock.

Johannesburg

Gold shares closed higher on the Bullion price rise, with moderate oversess interest noted during fairly ective trading. Western Areas gained 25 cents to R12.95 after news that: an underground fire seemed to have been extinguished.

JAPAN (continued)

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Į,	ANZ Group			Kubota Kumagai Kyoto Ceramic	360 397	6
	Alistate Expl	2.95	-0.07	Kyoto Ceramic	3.880-	-10 \
ı	Acrow Aust Alistate Expl Ampo1Pet Assoc.Pulp Pap Audimeo	1.90	+0,18	Lion Meada Cons Makita	401	24
3			+0.01	Mesda Cons	1 0000	+4
	Audimeo	9.13	+0.85	Markita, Marubeni Marudai Maruli Matsushita M'a Elee Works, M'blehi Bank, M'bishi Corp M'bishi Clee M'bleni Ri East, M'bleni Ri East,	200	-80.
1	Aust. Cuarant	1,49	+0.02	Marudal	606	ere parame
	Aust. Hat. inds	2.75		Marul	655	PARTY
	Reny New	28		M'ta Floe Works	808	16 3
1	Bank NSW	1,72		M'blehi Bank	418	
	Bond Hidge	3,10	+0,10	M'bishi Corp	758	+12
•	Boral	9,78	-0,02	Mibishi Elec	261	+8
1	Brambles lock	3 10	+ 0.05 +0.10 +0.20	M DION RI CARL	410	+1
	Bridge Oil	5.t0	+ 0.20	Milwil Co	762	
.]	8HP	19,464	+0.10	Mitsui RI Est.	626	-14
	Germanick Oll	0 22 1	+0.02	Mitsukoshi	433	+6
	CRA	6.86	+0.06	NGK insulators	463	+3
1	CSR	7.78	+0,18	Mippon Denso	1,140	10
ı	CRA	3.6	+0.45	M bleni Ri East MHI Mibul Co Nippon Co Nippon Co Nippon Co Nippon Meat Hippon Gil Nippon Shiopan Hippon Steel Hippon Sulsan NIV Hissan Moter Hissan Moter	450	M - 11.114
ı	Cluff Oll Aust)	0.54	+0.08	Hippon Oil	1,360	******
1			+0.05	Niopon Shiopan.	707	+6
1	Cockburn Cemt Coles 10 J.)	1.35		Hippon Steel	149	+2
1	Comalco	8,20	+0.85	NTV	4.820	80
1	Cons Gold	8.8		Hissan Moter	718	+1
ı	Containers	3 95 1	*******	Hisship Flour	573	. + 1.
Į	Costain Crueader Oil	8.80	+0.20	Nisshin Stool	153	g meg recorder.
l	Crusader Oil	0.93	+0.40	Nomura	390	- 6
ı	Duniop Elder 5mith CM	2 40	+0,01	Olympia	300	¥10
ı	Endeavour Pes	0.72		Orient	1.070-	20
I	Con Prop Trust	: 44	+0.07	Hisship Flour Nisship Steel Nomure	2,050	-+10
ı	Hamorsloyi	4.40		Renown	570	
ł	narrogen Enorgy	6.0	-0.01	Same Fleet	436	+15
ł	Hookar	1.94 2.50	_0.05	Sapporo	234	-15 -1 -5
I	Jonnings	1,18		Sekisul Prefab	726	<u> </u>
ı	Jonnings Jimberlane 26c.	1,90	0.06	Rigoh	710	+8
ı	Jones ID)	1.2		51(126)QO	ano.	+5
ı	Lennard Oil	1.39	+0.02	Stanley	481	+70 6
Į	MIM	5,60	+0.28	S'tomo Marine	276	-2
ţ	MCOKATHAITE Ma.	8.10	+0.28	Talhel Dengyo	716	_3 _5
ì	Moridian Oil		+0.01	Taisho Pharm	886	-5
ı	Monaroh Pet	0.60		Stanley Stanley Stome Marine Talhel Dengyo Talsei Corp Talshe Pharm Takeda	701	+20
1	Myer Emp Nat Sank	2.48	+0,02	Takeda	3,200	+40
1	Nows Hichelas Int North 8kn Hill	2.70	-0,40	Teijin Teikoku Orl TBS Tokio Marine	142	2
	North Oka !!!!	1.30	+0.02	TRE	TOO	*******
ł	Oskbridge	4.50	+0.10	Tokio Marine	867	+2
ł	Oakbridge	1.55	+0.10	Tokyo Elect. Pwr.		+2
I	Pancon:	8,80	+0.20	Tokyo Gas Tokyo Sanyo	118	
ţ	Pan Pacific	0.46	+0.031	Tokyo Sanyo	545	_10 _1
1	Queon Marg't C.	0.65	-0.02	Tokyu Corp.	932	+6
						-+11
ł	Santos.	16,20	+ 0.20	TOVO Saikan	440 840	+22
ĺ	evelon In.C.J Routhland Marie	1.41		Victor.	690	710
۱	3Pargos Expl	1:90	+0.03	Wecosi Yamoha Motor Yamazaki	725	-3
1	Thos Natwide	3.05		Yamoha Motor	846	+6 .
ľ	Tooth	9.13	+ 0, 10	Vasuria Fire	289	-6
I	Valiant Coned	0.80	+0.10	Yasuda Fire. Yokogawa Bd2e	608	+9
ŀ	Waltons	0.83	. 4			
ł	Western Mining .	6.38	+0.06	SINGAPORE	٠.	
t	Seign H.G.I. Southland M'n'g Spargos Expl Thos Natwide Tooth Utah Mining Valiant Conadt Waltons Western Mining Woodside Petrol. Woodwarths	3.5	+0.10			

All Index 114 3/31 Floor 1 a let, utoris seg COMPAN NOTICES

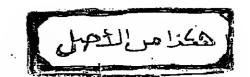
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BANÇIJE

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SOUTH AFRICA | Rand |



Sri Lanka to allow tea imports

By Marvyn de Silva in Colombo SRI LANKA, the secood biggest ten producer in the world bas decided to allow duty-free imports of tea for purposea of blending, packeting and sale as

tea bags.
Announcing this yesterday
rade and shipping minister
Lalith Athulathmudali asid that
Sri Lanka bad slipped down hadly in the international tea trade. Only 10 per cent of its exports which still form the country's top foreign exchange earner consists of tea in packets

and bags. He identified three causes for Sri Lanka's failure to maintain position in the tea business new consumer tastes, tha advent of new centres of blending and packeting (Hamburg, Rotterdam and Singapore) and aggreasive marketing methods. Much of the profit, and valueadded benefits, did not accrue to the producer but were being appropriated by blenders, packers and other intermediary processing agents, he said.

Sri Lanka's mein disadvantage was the absence of certain "filler" teas of varying grades and qualities required to meet the special consumer demanda of some markets. Such teas were not locally grown. Further, the : island did not produce sufficient quick brew tea essential for

blending.
Meanwhile both the Tea Traders Association and the Tea Board have warned the Government of other dangers facing the tea industry. Nationalisa-tion of estates, land reform and the exodus of trained personnel (British and Sri Lankan) to East Africa have affected production and management. Recently the Asian Development Rank has given \$12m for the modernisation of tea factories and training of personnel.

Eggs cost more

Financial Times Reporter EGG PRICES are going up by up to 4p a dozen next week because of Increased demand. Aspokesman for Goldenlay, Britain's largest egg farmer co-operative, said it was normal for prices to rise as people ate more eggs with the enset of cold weather. Sizes 1 and 2, 5 and 7 will

rise 2n a dozen next week. sizes 3 and 6 by 3p a dozen, and size 4 np 4 pa dozen.

Copper falls on Asarco talks

COPPER prices fell back on the London Metal Exchange resterday following news that Asarco-one of the big three U.S. producers still shnt down by the copper workers strike-was resuming talks with the unions next week for the first time since October 9. Resumption of negotiations came at the request of Federal mediators, but the pressure on Asarco to reach a settlement has been intensified by agreements reached

by several of its other big competitors, including the tentative pact by Newmont Mining (Magma Copper) last weekend. Among the blg companies, Kennecott and Phelpa Dodge have returned

Meanwhile it was confirmed by Nippon Mining in Tokyo that negotiations are under way between Anaconda and Japanese copper smelters on the supply of copper concentrates from the U.S. on a long-term contract. recently it would supply Japan with 390,000 tonnes of ore annually from its three mines in the U.S. following the closure of its refineries due to polintion controls. In Lima it was reported that workers at the Toquepala

copper mine had ended a 15-day strike. Copper cash wirebars closed £9.75 lower at £843.75 a tonne on the London Metal Exchange. Tin also fell, with the eash price losing £50 to £6,705 a tonne — the lowest level for 13 months

USSR purchases silver

BY DAVID MARSH

THE SOVIET UNION has onnce level during the last light other Eastern Block emerged as an important purmonth or so. The price has activity. Poland has delivered chaser of silver from the Zurich since drifted down to just below 89 tonnes of silver to the Swiss market this autumn. Swiss Customs figures show that the Russians imported 8.2 tonnes of silver worth SwFr 7.9m (£1.9m) from Switzerland in September, following imports of nearly 23 tonnes in August.

The August shipment was the first significant delivery to Russia recorded this year. The Soviets imported about 16 tonnes a year in 1979 and 1978, the first time auch transfers bad shown up in Swiss satistics for at least 10 years.

Soviet purchases on the silver market have been rumoured lately, and were said to be partly responsible for the rise of a dealing operation.
in the price through the \$20 per

The Swiss figures also bighin the price through the \$20 per

since drifted down to just below

The Sovict Union itself is an important silver producer, with most of its output being used for domestic consumption. Bullion dealers bave been aomewhat mystified by the increase in Russian imports. It is assumed that the shipments to Moscow have reflected a shortfa)l in domestic production or an increase in consumption for jewellery or industrial usea. But it is not entirely ruled out that Wozchod Handelsbank, the Soviet bank in Zurich that trades in gold and silver, may bave been purchasing silver as part

market in the first nine months this year—the bulk comlog in April to June—up from 42 tonnes in 1979 and 69 tonnes in 1978. The higher silver price ia thought to bave encourage increased Polish productioo. But the ahipmenta may also partly reflect the country's economic difficulties. Shipments are also up from North Korea so far thia year, to 54 tonnes from 40 tonnes in the whole of 1978.

September saw the release of considerable, silver boards from the Middle East, with the Lebanon and the United Arab Emirates between them bring-ing in over 19 tonnes to the

Stricter EEC sales control urged

opopsed to the export of subsidised produce to the Soviet Union and wants the EEC to exercise stricter monitoring, the forcion office said yesterday. comment followed

Brussels reports that the Soviet Unioo bad bypassed the U.S. grain embargo against it by buying 500.000 tonnes of animal feed from the EEC through West German traders.

The EEC cereals management committee was still in session discussing the subject of pro-cessed animal feeds late last

According to the Brussels reports, the EEC had taken steps in prevent further such sales, but the Community might have to pay a significant subsidy on the deal.

A Foreign Office spokesman said: "We are most concerned

about these reports . . . we shall ask the EEC Commission for This development confirms the need, which we have urged, for adequate monitoring.

"We remain totally opposed to the export of subsidised produce to the Soviet Union."

In Washington, the U.S. agriculture department said it welcomed the EEC Commission's temporary suspension of export rebates for grain products, a move they said was designed to prevent further exports of mixed feed ot the Soviet Union.

"Shrewd Itaders found a loophole and took advantage of, it. We were glad the KEC colsed the loophole quickly," one USDA official sald.

The EEC failed to ben the USSR es a destination for ex-

port restitutions on grain pro-ducts when it introduced a ban details and also ask them to on rebates for whole grains in sustain the new restrictions. support of the U.S. grain trade restrictions against the Soviet Union.

> At the state department, one official said the Soviet Union previously bad never been interested in buying mixed feed from the U.S. or the EEC because of its high cost.

The U.S. plans a December meeting with the Soviet Union, to discuss the ocean shipping provisions of the fifth year of the five year U.S./USSR grains supply agreement.

Topics to be discussed include ocean grain freight rates, the number of U.S. and USSR flag sblps used in the grain trade and the percentage of USSR grain shipments each country carried in the prior year.

Rally in sugar values

By Our Commodities Staff WORLD SUGAR values ralited yesterday afternoon with the March position on the London

futures market ending the day
4.525 higher at £413.65 a tonne.
This week's sugar price recovery began on Tuesday after
the March position had slipped
to £395 a tonne. It has been infinenced by Iranian buying and talk of further Russian

Yesterday influential sugar statistician F. O. Licht said Soviet sugar crop prospects were still bad in spite of Improved harvesting conditions in recent weeks.
In bis latest market review

Licht quoted a Prayda report which admitted the USSR sugar harvest might well be "one of the worst in years."
In New Delhi meanwhile Indian Agriculture Minister Mr. R. V. Swamioathan was re-

ported to have said that Indla would import no more sugar this year. The Minister said there would be no additions to the

200,000 toones already imported by India this year. The imports were caused by drongbt-hit local production of only 3.9m tonnes in the year to September 30 compared with 5.86m tonnes in 1978-79.

Spain in EEC by 1984 citrus importers told

SPAIN NOW expects to enter the European Economic Com-munity towards the end of 1983, the Spanish Ambassador to London, the Marques de Perinat, told British citrus importers,

The ambassador speaking at reception to launch the 1980-81 Spanish citrus season aaid talks bad been going on in Lon-don recently between Spain's Minister of Agriculture, Sr. Lamo de Espinosa, and his British counterpart, Mr. Peter Walker, on tariff arrangements and the safeguarding of third countries' interests.

Sr. Julio de Miguel, president of the Valencia-based Citrus Management Committee, said that the Spanish crop of just under 3m tonnes this year was slightly heavier than last season's. Sales abroad of about 1.8m tonnes, worth some \$700m, would make Spaln the world's largest citrus exporter.

UK CEREALS

The benefits of spring barley

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

modest living growing spring to do so for fear of carrying barley and milking cows. The disease over the winter. In Denreturns were not spectacular, but then neither were the stresses on the farmer-Once you employed a good cow-man on piecework and left him to it the cash flow always seemed to grease the farming machinery without bothering the bank manager too much.

When the cows went for reasons of family strategy, the absence of the monthly milk cheque was more than I could bear, and I replaced 100 cows with about the same numbers of aows, and the results aeem to be about the same.

Spring barley growing was and is quite a simple job. But then the returns are nothing like as spectacular as from wheat and winter barley grown with every modern artifice of seed, fertiliser and chemicals. On some fielda my spring harley yielda grown over a long run of years varied between 28 cwts an acre in e bad year to more than tonnes in a good one. The results were more dependent on the summer's climate than on eny other factor.

No water

My original reason for adopting this sort of husbandry was because I took over land where there was no water for livestock and therefore no point in growgrass. Also that in this district, Hampshire, there were no really viable break crops like the sugar beet, potatoes and vegetable farmers in other parts of the more, country. There is an alterns. The tive in grass seed, but this is a crop very vulnerable to bad weather and to market fluctuation which makes it a real planting the following March to gamblers enterprise and only to be recommended in very small Also when spring sowing the doses. More significantly spring days are steadily getting longer. barley was the only crop that In the case of autumn sown did not seem to need rotation. I did not grow wheat except after a break crop such as grass seed should begin to be sown, and I did not grow winter which hardly leaves time for berley for the simple reason

FOR MANY years I made a case it was considered immoral come home to roost after this mark even now it can only be grown under quite severe restrictions.

Then aome ten years ago there came an explosion in cereal yietda sparked off by some spectacular results from cereal yietda the plant hreeders assisted by the chemists who developed materials which could control pests and diseases. These seemed to enable farmers to disregard any idea of crop rotation.

My humble yields of less than two tonnes an acre were dwarfed by the 3 and 4 tonnes claimed by others, and I began to get unaetticd. I went to demonstrations and visited other farmers. In fact I joined

Seed bed

At first all went well. Winter barley is a good crop to grow if ByBrything goes well, and a main advantage over spring barley ia that it is not affected by spring drought. I also adopted the fashionable tech-nique of minimal cultivations to make a seed bed instead of ploughing. In other words I just acratched the soil instead of working it properly and relied on chemicals to kill the weeds. For three years all went

well. I did the same with wheat The yields, while not as spectecular as others claimed, were certainly adequate. I thought, as meny other bave, that I was on which are available to to a good thing. But not any

The benefit of continuous spring barley growing is that you have all the time in the world between hervest and make sure the land is clean, crops there is perhaps a month between harvest and when the more than the most cursory of that there were no satisfactory cultivations.

wet summer, particularly where wheat was being grown. Because of the moisture the grass weeds flourished and went on growing while the wheat was ripening with the result that I have got some very dirty stubbles. There are, it is true. chemicals to deal with these and I have spent a fortune on them. But here the weather has taken a hand and made it very difficult indeed to supplement the chemicals by the necessary cul-

tivations to make sure the weeds

do not recur.

The problem with wheat is that it is in the ground for 10 to 11 months and this gives the grass weeds and some others every opportunity to get estab-After severa) walks lighed. around the farm in an increasing state of depression I determined that no crops would be sown in the autumn except in land in which no such weeds were present. And that this would be particularly applied to wheat because it is far worse as harbourer of weeds than

Encouraged

winter barley.

This decision immediately took the pressure off the cultivation programme, which was getting pretty frantic and enabled a good job to be made of the hetter fields. The final result will be 40 per cent wheat. and 30 per cent cach of winter and spring barley. I am en-couraged by my return from spring barley this year, not a terribly good season by all accounts. My own crop yielded 40 cwts, only 12 per cent less than my winter barley, left a clean stuhble and cost considerably less in terms of fertilizer and chemicals.

But what about rotation you may ask? I do still have about 20 per cent of my total arable seeds and peas. The grass seeds and peas are a dead loss this year, and the slugs have eaten half the new sown grass this autumn before we could stop them. So spring bariey it will But my chickens have really have to be in future.

(—), Jan. 668.0-688.0. April 693.0-69 May —, July 722.0, Oct. 750.0. Sale 1.221.

1,221.
TSilver—Nov. 1920.0 (1874.0). Oec.
1940.0.1945.0 (1895.0). Jan. 1969.0,
March 2021.0-2025.0, May 2075.0, July 2130.0. Sapit. 2179.0, Oec. 2253.5, Jan. 2285.0, March 2338.0, May 2391.0, July 2444.0. Saleet 5,000. Handy and Harmen bullion and 1925.0 (1887.0)

CHICAGO, October 29.

CHICAGO, October 29.

Chicago Imm Gold—Nov. — (—),
Oec. 645.0.645.0 (641.7). Jen. — 654.0,
Merch 570.0-671.0, Acril 579.0, Jung
697.0, July 705.8, Sept. 724.5, Oct.
733.5.

§Wheat—SCWRS 135 per cent pro-ein content of St. Lawrence 287.48

All cents per pound ex-warshouse unless otherwise stated. *S per tray ounce. †Cents pet tray ounce, t‡ Cents per 56-lb bushel. † Cents per 60-lb beshel. || S per short ton 12.000 lbs). § SCen. oor metric ton. §§ S per 1,000 eq leet. ‡ Cents per dozen.

July 4100/4160, Aug. 4147/4160, Oct. 3845/3895, Nov unquoted, Dec. 3570, 5alee at cell 21.

The Landon physical market opened

WINNIPEG, Octobot 29.

BRITISH COMMODITY PRICES

BASE METALS COPPER—Lost ground on the London Matel Exchange following reports that Assroe are to hold talks with striking copper workers and that Magma have raisfied their tentative agreement with topper workers. Three months coppet opened around the \$883 level but eased to £881 on speculative selling. Duning the stranger is a market came under and lorward metal dropped to £872.5 before closing the late kgrb 91 £874.5.
Tornover 26.575 tonnes.

824-5 617.5-9 103 851-2 - 85 846.5-7 -8.25 825

*88,5-102 Amelgemeted Metel Trading reported that in the morning cash wirebare traded at £852, 51, 50, 50.5, three months £881, 60, 79.5, 79. Carhodos, cash £824. Korb: Wirebats, three months

74, 73.5, 74, 74.5; Kerb: Wirebers, three months 1974, 73.5, 73, 74.
TIN—Lower agein following, a foll on the Penang market. Forward metal opened of £6.820 and eased on modest opened of £5.820 and eased on modes; selling pressure to louch £5.775.in the rings. In the alternoon buying egainst £5.5 physical interest herd the merket steady around this level with those months closme, the late kerb at £6,775. Turnovet 860 tennes.

TIN Official -

----Morning: Standard, Cesh £6.590, these months £6,800, 8,790, 80, 75, 70, 60, 75, 70, Karb: Standard, Ibras months £6,775, Aftermoon: Standard, cesh £6,710, 6,700, 5,710, three months £6,780, 70, 75, 80, 75, Korb: Standard, three months £6,775. LEAD—Los1 ground influenced by the trend in Cooper. Forward metal opened of £358 and lell to £355 in the morning before recovering to £359 on the morning
February Soyabean meal 153.5-154.6 Our clients speculate, free of tax, in very small to very large amounts, oo: London Traded commodities, including GOLD.

2. The STERLING/DOLLAR exchange rate. LG. Index Limited, 73, The Chase, SW4 ONP. Tel.: 01-622 9192 CORAL INDEX: Close 491-496 (-1)

Oil Index Ltd. 30/31 Fleet Lane, EC4 Tel.: 01-248 8124.

Crude Oil Future Apr. '81 \$38.2 Bri Apr. '83 \$38.6 Bri

COMPANY NOTICES

BANQUE NATIONALE DE PARIS Floating rate note issue of US\$250 million US\$250 million january 1980/88
The rate of interest applicable for the three-month poriod beginning October 29, 1980, and set by the reference agent is 147, % ennually. In other respects, holders of the above bonds are advised their Morgan Guerenty Tust Company of New York—Now York, has been appointed as paying egent in lisu of BNP New York.

SCOTTISH AGRICULTURAL SECURITIES CORPORATION LIMITED

71% Debenture Stock, 1990-92 Notice is hereby given that the REGISTERS of the CORPORATION'B above mentioned Octenura Srack will be CLOSEO for TRANSFER and REGISTRATION from 17th to 28th November, 1980 both days inclusive. By Order of the Board H. J. McTurk, Secretar

48 Palmersion Placo Edinbergh EH12 5BR 31st Ocrober, 1980 MONEY MAKING

MATTERS New handbook of technical analysis by Elli Gifford, Head of Research, Eurocherts Limited, research arm of Rudolf Wolff Limited, the leading Metal Broking House. 200 pp approx. Publishing November 1980, price £9.75.

Money Making Matters gives an introduction to the art of technical Money Making Metters gives an introduction to the art of technical enalysis—interpretation of the previous price action of stocks, shares, or commodities through the medium of charts and other forms of enalysis, to enable one to predict the future performance of enhosen investment with as much accuracy as possible. A wealth of illustrative charts. Includes soctions on Trading Systems, Technical Indicators. Trends, Does News make Markets? Measurement Principles, Chart Construction. ESSENTIAL READING FOR ALL MARKET INVESTORS. MARKET INVESTORS.

To: Exchange Buildings Commodity Syndicate Limited 46 High Street, Warwick CV34 4AX Please send me details of Money Making Matters Pre-publication Ing kerb following demand (or cash metel, Howaver, the price met renewed pressure during the elternoon and three mentse alleped further to close the late berb et £353.5. Turnover 4,375

	LEAD	a.m. Official	-+ or	p.m. Unofficial	4.0
•		. £	£.		£
	Cash	. 344.5		338-a	-4
_	3 months	358,5-9	-1,6	354-,5	-ŏ.
	S'ment	345		_	
-	U.S. Spot	-	·	48.45	••••
	Moreino	1 Cash £3	41. 44	, three mo	nth
5	£356. 55.5	. 55. 55.	5. 56	, 57, 58,	58.5
	Kerb: Thr	se months	£358	. 57. After	non
	Thre mon	the £355,	54,	53, 52, 53,	. 54
				nthe £353.5	
5				dus ni	
	trading.	Forward I	metel	edged u	D t

end mod price Ip (kgrb. Tur	eel proi e close d nover 4,	rt-teku 1 £338 025 to	ng pered 3.5 on the nnee.	the lete
ZINC	a.m. Official	+ or	p.m. Unoi noi	+0
Cash 3 months 5 mont	\$29-30 340-1	-2.75 ,-2.25	\$28-50 \$32 ₋ , e3	£ 3 -2,1

S'mont ... 550 --- 57.5-57.76, --

Morning: Cash E330, three months £340. Kerb: Three months £339, Afternoon: Three months £339, 38.5, 39. Kerb: Three months £338, 38.5, 39. Alluminium—Gave ground following nervous selling and long liquidation which depressed lorward metal lings £685 to a close on the lets kerb of £675. Turnovet 10,550 tonnes.

_	Alure in re	a.m. Official	or —	p.m. Unoffici	77
es L L	apot 3 months	861-2 878-80	₽ _7 _5	646-B 674-5	Ė
7	Morning: F685, 84, 8 months £67 79, 79, Afte 74, 75, 76, £674, 75,	3. 81, 4 9. 77, 7 ernoon:	80, 79 6, 75, Three	77. 76 months	Th .5,
	NICKEL-	th lorw	ard . I	metel i	mov

to a close of E2,752.5 on the late kerb.
Tumovet 114 tonnes.

Spot 2700-5 +4.5 e710-20 +18.5 3 months 2755-40 - 5 e750-6 +18.5 * Cents per pound. * SM per cicul.
† On previous unofficial close.
Morning: Cash £2,695, 2,700. Afternoon: Three months £2,740, 45, 50.
Kerb: Three months £2,750.

SILVER

Silver was fized 13.3p an cunce higher lor spot delivery in the London bullion merker yesterday, at 798.3p. U.S. aquivalents of the fixing levela were: spot S19.453, up 23.2c: threemonth \$20.143, up 35.1c: elx-month \$30.828, up 28.4c; and 12-month \$22.222, up 26.8c. The merel opened at 8020-2110 (\$19.80-15.80) and closed at 791p-800p (\$19.30-15.50).

SILVER Buillon + or LM.E. + or per fixing - p.m. troy oz. price Unoffici'i Spot..........796.30p +15.5 760.50 +8 5 months. 266.20p +12.1 823.26p+1.25 6 months. 856.75p +18.5 12months. 215.00p +9.25 —

LMS—Temover 94 (73) lots of t0,000 ozz. Moming: Three months 827, 28.5. Kerbs: Three months 827, After-noon: Three months 824, 25, 24.5, 25, 24, 23.5, 23. Kerbe: Three months 824. WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, sellct, business, seles). New Zealand caota per kifo. Oct. 349 buyet, nil. nil; Occ. 359, 363, nil, nil; Jan. 361, 364, nil, nil; March 365, 369, 370, 10; May 368, 372, nil, nil; Aug. 374, 380, 381,380, 3; Oct. 380, 383, nil, nil; IBc. 381, 384, nil, nil; Jan. 382, 385, nil, nil; Merch 384, 388, nil, nil; Selee 13. LONDON NEW ZEALAND CROSS-

order buyer, seller, businees, sales), Australian cents per bound Oec. 467.0, 467.5, 468.0-465.0, 93; March 491.5, 492.5, 493.5-491.0, 108; May 503.50, 504.0, 505.3-504.0, 97; July 513.5, 515.0, 515.0-513.0, 112; Oct. 513.0, 514.0, 515.0-514.0, 27; Dec. 515.0, 515.8, 516.0-516.08; March S13.0, 520.0, 520.0-520.0, 18, Seles 461.

COCOA

throughout 6 very quiet day during which prices eased £5 lower, Producers

COCOA	Yesterd y	* <u>+-</u> or	Business Done
nos	917-918		e27-e15
March May July	279-280	5.Ŏ	267-256 986-977 1005-897
Sept	1015-17	-8.0 -7.5	1025-17 1045-38

Sales: 1,923 (2,250) lots of 10 tonnes. ICO Fetures. Delly price for Oct. 29: 101.37 (101.02). 10-day everage 104.09 (104.55): 15-day everage 104.75

COFFEE

A more active opening then usual herelded commission house and Irado herelded commission house end Irado selling on robuets, reports Oresel aurnhem Lembert. However, current support lovels held end for the rest of the session orlices hovered just under unchanged levels. Afternoon deslinge were also thin with neer switches the dominant learure. The cless, however, sew commission house and erop-loss selling es support levels were at lest breeched. Values finally finished near the lows 15-115 down.

yesterday'e Close + or Business Done 1047-50-9.5 1058-50 1040-60-5.5

GRAINS

LONOON GRAIN FUTURES—Old crao wheat opened 25p-30p lower and saliars eased values a larther 10p, where good buying support was seen frore shipper sources. Barley values eased with scilling oresours on the spot month and values closed 50p-75p lower on the day. Wheat values on the nearbys recovered elightly and closed 35p-60p down New crops did not trade and closed unchanged, seports Aci. WHEAT

Yesterday + or Yesterday + or close -

LONDON GRAINS — U.S. Oerk
Northere Spring No. 2 14 per cent Oct.
101.25, Nev. 103.50, Dec. 105.75
Transhipment seel Coset seller. U.S. Haid Winter 131- per cem Oec. 103.50
transhipment seet coset seller. Neises
French Nov. 118.75, Dec. 112.75 east
cosel cellers. S. A(ricen Yellow Nov.)
Ilec. 85.50 seller. Rest unquoted.

RUBBER

No. 1 R.S.S.	Yest'day Close	Previous Close	Susiness Done
 Dec) 62 , 00-61_60
lan an-Mar		B2,99-65,20); —)64,60-65,60
Apr- Jne	68,10-88,20	68,00-6B, 10	69,20-67,79
ly Sept			71,30-70,90
oct-Dec	74,20-14,31	74.00-14,20 76,90-77,10	77, 08-76,80
an-Mar	79.80-80.00	18,60-80.10	79.90
lly-Sent	87, 80, 82, 90	82.40-85.00	82.10

SOYABEAN MEAL The London merket opened with losess of £1.50 with trade selling, reports T. G. Roddick. Commission house support kept prices steady and

e in dey 1h geins	of 50p.	z rajir	ed to close
	Yest'rday Close	+or	Business Done
comber.	£ pertonne 147,00-48,0	0.20	148.40-45.90
bruary	154,00-54.1 155.00-55.2	+0.86	154,20-51,40 155,80-55,70 155,00-53,00
no eust	165,60-S5.B	+0.26	151,80

October.... 185,98-88.5 0.15 188.08 December. 182,88-87.0 1.0 -Sales: 273 (623) lots of 100 tonnes.

LONDON DAILY PRICE (rew eugar):

2377.00 (2375.00) a ronne ail lor Oct.Nov.-Osc. shipments. White suger
deily price was 2378.00 (2374.00).

Overnight levels were not held end
trade saling quickly loand the merkot
lower. A report that the Thailand
Government were shortly gaing to reise
the embarro on suger experts probably sovernment were enortly gaing to reise the ambargo on sugat exports probably aided the searet esmiment. The market again found sepport however stoend £407 value March and by the close had recovered to £413.50, reports C. Czarnikow.

No. 4 Yest'rdays Previous Business Con: Close Close Dona

Sales: 8,836 (13,522) lots of 50 Tonnes.

NUMBER 2 CONTRACT — Close (besiness end eeles only): Oct. enquoted, 370.00, 4. Sales 4 (0). Tete end Lyle es-refinery price lor granuleted basis white suger was £342.6 (eares) a tonne for home trade end £491.00 (£475.00) for export. International Suger Agreement (U.S. cente par pound, lob and atowed Caribbeen port). Prices for Oct. 29, Oelly price 39.70 (38.50); 15-day avarage 40.88 (same).

COTTON

LIVERPOOL—Epot and alipment seles amounted to 338 tonnes bringing the total for the week so ler to 874 tonnes. Useful operations continued with a sustained demand in various qualities. Interest generally centred on African as well on North and South American

MEAT/VEGETABLES -0.55
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PRICE CHANGES

varieties on the market. In any

	Oct. 30 1280	+01	Month	
Metals				
quidiquiA	£810/81a		2810/815	
Free Mkt	\$ 1685/1625	-20	\$ 1000/3U	
Copper	€843.75	-9.75	POZE	
Cash w'ber.	₽874.26	7 75	2864.25	
5 mths,	£818.25	-10.76	2809.40	
5 mths	£846.73	8 96	£837.5	
Cold drotte on			\$670.5	
Gold troy oz	£338.5		£370:6	
Lond Cash	£354.25		2386.5	
o mnths	£3.152		£3,168	
Nokal				
Fraemkt	. 266/S10c	*********	2901515	

Piatin'mtr'y oz 2302 2202 Froe mkt 2269.85 +0.2 2287.20 Guietsilvert 405/418 5413/418 Bilver troy oz 796.30p +13,5886.85p 5 mths 826.20p +12,7919.30p conut IPhill. \$590w Copra Philip.... \$365 ‡

£140.3 £103.52-0.3 £99.50

† Unquoted. y Osc.-Jen. x Osc. t Nov.-Osc. v Nov. w Oct.-Nov. z Indicatot. § Zuyet. † Pet 76 lb flack. Nominel.

Spenie: Nevelines 48/54/80 8.00, 70/80 5.80, 90 5.80, 100/110 5.50, 120 5.40; Outspan: Velencis Lates 48 5.40, 56 5.75, 72 6.85, 88 4.65, 112 4.70, 138 4.95, 150 4.40; 3rsz/llen: 72/138 3.50-3.80. Lemone—Spania: Trays 25/45 2.40-3.00; Turkieh: 10 kg 4.00-4.80; Cypriot: 10 kg 4.80-5.80. Grepefruh—Cypriot: 36/42/45/54 4.00-4.80; Cuban: 4.00-4.20; Jaffs: 15 kg 35.35, 42 5.25, 48 4.90, 80 4.50, 70 4.30; Oumlnican: 3.50-5.00. Satsumas—Spania: 210/185/188 2.70-3.00, 168 2.80-3.10, 154 3.20-6.30, 144 3.30-3.50, 128 3.60-3.80, 103 3.50-3.80. Apples—Franch: Starkerimson Isrge boxes 3.50-4.30, Golden Delicioes approx. 20 lb 72 1.90-2.30, 84 1.50-1.80; dlb 125/163 3.00-4.20, Granny Smith 20 lb 72 2.10, 84 1.50-1.60; Greek: Starking 150 4.50; Outch: Cox's Orange Piopine oer gound 0.08; Belgien: Goldan Oelicious 85/70 28 lb 1.80. Pesrs—Irelian: Per pound Williams 0.13-0.15. Beurre Herdy 0.12. Pessacressens 0.13-0.14; Outch: Conlerenca 0.11-0.12. Belgien: 0.07-0.08. Flumms—Irelian: Boxas, Stanleys per pound 0.10. Grapas—Italian: Italia 2.30-3.00; Sosnish: Almeris 2.30-2.50, Black 2.60-2.80. Pormestoss—Jarrey: 1.30-1.80; Spaniah: 2.60-3.20; Detch: 2.80-3.00; Cansry: 1.26-2.60, Oniors—Spaniah: 3.90-4.00; Outch: Ficklers 3.00, 10 kg 1.40. Cabbeges—Dutch: White 2.80-3.00. Chicory—Belgien: Pet box 3.20-3.90. Flgs—Smyrna: Per 19th pecket 0.20. Dates—Algerian: Per pound large weshed 0.28-0.30, medium 0.23: Walnuts Chrasse 30mm 55 lb, per pound 0.30; 23 15 7.50. English Produce: Petatoas—Per bag 1.20-2.00. Mushrooms—Per pound Q40-0.70. Apples—Per pound Bramleys 0.05-

AMERICAN MARKETS

Wednesday's Closing Prices

NEW YORK, October 29. Cocos—Dgc, 2056 (2061), March 2140 (same), Mey 2186, July 2231, Sept. 2276; Dec. 2331, March —. Sales: 3,708. 3.708. Coffee....'C' Contract: Oec. 125.00-125.20 (126.07), March 127.60-)27.80 (128.57), May 128.75, July 130.10, 5ept. 130.75-131.25, Dec. 131.75.132.50, March

133.00-133.25. Sales: 830.
Cotton — No. 2: 0 oc. 90.07-90.30
(81.30). Merch 90.55-91.10 (92.02).
Mey S1.10, July 80.77-90.80, 0 ct. 85.90-85.00, 0 cc. 83.40, Merch 83.90-84.40,
Mey — Seles: 7.350.
*Gold—Nov. 638.0 (637.0). 0 ec. 644.0-648.0, Feb. 652.0-663.0, April 679.0-680.0, June 697.5, Aug. 715.2, Oct. 734.4, 0 ec. 753.2, Feb. 772.2.
April 791.4. June 810.8, Aug. 830.3. Seles: 40,000.

Sales: 40,000. Seles: 40,000.
Orenge Juleo — Nov. 90,35 - 90,40 (90,50), Jan. 92,95-92,50 (92,60), Merch 93,85, May 94,65-94,70, July 95,50-95,60, Sept. 98,40-95,50, Merch 97,20-97,50, Jan. 57,80-98,00, Merch 98,30-98,80, Sales: 400.
*Pietinum—Nov. 667,0 (—). Osc. —

EUROPEAN MARKETS

ROTTEROAM, October 30,
Wheat—U.S. Two Oark Hard Winler
13.5 per cent Nov. \$230. Oec. \$230.
Jan. \$239, Feb. \$242. U.S. No Two
Red Winner Oct. \$226, Nov. \$224, Oec.
\$228. U.S. No Two Northern Sonng
14 per cent Oct. \$224, Nov. \$224.50,
Oec. \$228. Jan. \$246. 13.5 per cent Nov. \$230. Oec. \$230. Jan. \$239. Feb. \$242. U.S No Two Rod Winror Oct. \$228. Nov. \$224. Oec. \$228. U.S. No Two Northern Soring 14 per cent Oci. \$224. Nov. \$234.50, Oec. \$229. Jan. \$248. Moize—AFL \$172. Oct. \$170. Nov. \$170. Oec. \$175. Jen./March \$184. April/June \$187. July/Sepl. \$184. Oct./Oec. \$184. Soyabeans—U.S. Two Yellow Gulloorts Nov. \$359. Oec. \$368. Jan. \$375. June \$384.75, Jelly \$392.50, May \$393.75, June \$384.75, Jelly \$395.75, Aug. \$392. Sopl. \$388. Oct. \$337.50, Nov. \$335.25. Oec. \$342. gellers. \$382.90 March \$336.25. Oec. \$342. gellers. \$382.50 peid. Cot. \$337.60, Nov. \$337.50 Nov. \$357.50 Nov. \$358. Oec. \$342. Soyabeans—44 oer cent orotein U.5. sellers. \$382.50 peid. \$384. Nov./Merch \$349. Brazil Pellets Nov. \$337. Oec. \$338. Nov./Merch \$349. Brazil Pellets Nov. \$351. Oec. \$358. Nov./Merch \$30. Dec. \$4150 before a slight recovery at the day's losees. reports Coley and Haiper. Closing prices: Nov. 42.00 \$4150, Merch \$4260/4265, May \$4275/4285, 400. Turngver: 165 (137) Iora of 40 tonnes.

INDICES FINANCIAL TIMES Oct. 29 Oct. 68 Minth ago Year ago e74.77 276,33 276.30 282.69

MOODY'S Oct. 29 Oct.28 Minth agolyear ago

1321 1296.7 1313,4 1137.7

DOW JONES Dow Oct. | Oct. | Month Year Jones 20 | 68 | 620 | ago Spot . 480,73 482,18463,10400,30 Ftur s 500,43, 502,38485,72405,1 (Average 1924-25-28-100)

Oct. 50 Oct. 29 M nth ago Year ago 1746.6 1748.B 1748.8 | 1680.1 Bese: Septeraber 18, 1931-100

O.08. Spartens O.08-0.10, Worcester Peermain O.06-0.08, Cox's Orange Pioona O.10-0.15, Ruseets 0.10-0.12, Pears—Per pound Conference 0.08-0.11, Comica 0.14-0.18 Piums—Per 12 Wysdeles 1.50. Cabbages—Per bag 1.30, White cabbes 2.40, Cauliflowers—Per 12 1.30-3.20. Bestroots—Por bag 0.90-1.20. Cocumbars—Trays 10/20 2.20-2.80, Tomstoes—Per 12 is 1.20-1.80. Lettucs—Per 12 round 1.30. Bprouts—Per pound 0.07-0.09. Com Cobs—Each 0.08-0.08. Carrots—Per 28 ib 0.30-1.20. Onions—Per bag 2.50-2.80, Picklers 2.60, Celery—Per pack 20/30 2.80, naked 12/14 1.30-1.40. Capsicism—Per pound 0.25. Swedes—Per 20.10 Cobs—Each O.08-0.06. Com Cobs—Each O.08-0.06. Carrots—Per pack 20/30 2.80, naked 12/14 1.30-1.40. Capsicisms—Per pound 0.25. Swedes—Per 20.10 Cobs—Each O.08-0.06. Capsicisms—Per pound 0.25. Swedes—Per 28 lb Oevon 0.80. Cob Nuts—Per pound 0.35. Parenips—Per 28 lb 1.50-

GRIMSaY FISN — Supply good, demand good. Prises at ship's sida (enptocessed) pet stone: Shelf cod 65,00-16.00, codings (24,00-55.00, Large haddock 24,20-55.20, medium 53.00-64.30, smell 1.80-52.80. Medium plance (23,80-55.00, best smell 52,00-63.80. Skinned dogfish (large) £10.00£11.00, (medium) £7.00-£5.50. Lemon solos (large) £10.50, (medium) £3.50. Saithe £3,80-£4.00.

Chicago cotton contract

REUTERS

Board of Trade membership has formally approved a pro-posal submitted by the CBT's board of directors to begin trading cotton futures. The contract, which calls for delivery of 50.000 pounds (about 100 bales) of cotton, will now be submitted to the Com-modity Futures Trading Com-

CHICAGO-The Chicagn

said in a statement. The members also approved.

subject to CFTC approval. three amendments to exchange rules, firstly a plan to extend the renewal period for indlyiduals leasing seats from exchange members to 90 days from

FINANCIAL TIMES STOCK INDICES

Oil shares feature an otherwise uninspiring day in equity markets—Big Midland Bank placing

Option First Declara Last Acconot Dealings tions Dealiogs Day which were trans-Sept. 29 Oct. 9 Oct. 10 Oct. 20 January 700 series. Oct. 13 Oct. 23 Oct. 24 Nov. 3
Oct. 22 Nov. 6 Nov. 7 Nov. 17
"New time" dealings may take places from 9 am two business days

The placing of the convertible bank 7! per cent convertible load 1933-93 at 2 price of load 1933-93 at 3 price

Apart from renewed strength in Oils, Londoo stock markets put on a rather uninspiriog performance yesterday. The underlying trend staved steady to 6rm despite deferred hopes of early moves to reduce interest rates— lower as buyers withdrew and coasing profit taking took its occasing profit taking taking taking profit effects of the recession and the strength of the pound.

rise hy 20 per cent by the end of the year were hehind yesterday's fresh advance in Oils. Further good gains were reflected in the FT-Actuaries aector index which became the first of the series to break 1.000 from the starting base of 160 in 1962; the Oil share index closed 1.6 per cent up at an all-time peak of 1.015.93.

with fresh investment incen-tive lacking leading industrials ramly strayed for from over-night closing levels. This was mirrored in the FT 30.chare index which proof Un 0.5 or the 1100 am collustion and more or incer which edged un to a me interest held the improvement heldre ersian late to elece with a net lots of 0 - at the S Helped a net lots of 0 = at the female he the strength in Oils, however, the Actuaries 500 and All-share indices hold reached new highs since compilatino.

British Funds fared little

better than the enuity leaders in the way of activity. Mediums and loors fluctualed nar-owly in the course of routing husiness before settling & to & Inwer on with underlying centimeet out heing helped by RI, workers' rejecting the company's final" 68 per cent nay nffer Short-dated stocks also moved carrowly and closed with a slightly easier hize. Dealings start today in the Treasury 3 per cen' 1985 " A " slock.

seondary equities, while company tradiog statements generated occasional interest. Of the sectors. Banks turned easier after the recent good showing following news of Middard Bank's large placing of Convertlhle Loan stock.

speculation that Renewed Lonrho was about to bid for House of Fraser promoted a 303 deals to a total of 1.170. Cons. Gold Fields were also in demand with 296 trades. 111 of which were traosacted to the

The placing of sim Midland Apart from renewed strength

1 Oils, Londoo stock market -and ontinuing gloom about the a fraction easier at 2761. Lloyds gare up 8 to 348p and NetWest, 422p, and Barclays, 475p, relin-Forecasts by oil industry nuished 6 and 5 respectively. Forecasts by oil industry nuising an issues came analysts that crude prices could offer with Algemene closing 1 point lower at £58, Commerz. hank 105 easier at 605p and neuische 1, points off at £591. Hambros continued to stand out merchant banks, rising a further 27 for a gain on the week so far of 79 at 705p. on rersistent iovestment support. Arbuthnot Latham rose 4 to 2320. Compagnie Bancaire closed in natiered at £304; the price in the compagnie Bancaire closed in the compagnie Bancaire closed in the compagnie by the compagnies of the compagnies o

yesterday's issue was iocorrect. The previous day's quietly dull was receated in Insurances. Suo Alllance, 14 down at 8000, led the retreat in composites, while Looden United Investments, 200n, and Royals, 450n, declined 5 spiece.

Wines and Snlrita trended eavier. Distillers encountered sizeable selling and eased a 2 hetter oo balance at 140p. Arthur Bell, 176p, lost half of the previous day's gaio of 8 which stemmed from the annual results. In Breweries, Burder disappointed with a gloomy outlook accompanying the lower interim earnings and shed 2 at

Certain Building issues gave ground on the Federation of Civil Engineering Contractors' warning of a bleak outlook for the industry Barratt Develop-ments and SGR shedding 7 ments and SGR shedding 7 aniece to 164n and 155p respectively. Lack of support and occa-Bid speculation promoted divos in the Timber sector several noteworthy saips among with Montague I. Meyer, 900, and Magnet and Sontherns, 1120, both losing a couple of pence. Second thoughts about the interim results left Mallinson-Denny 14 cheaper at 671n. Elsewhere, Coment Rasasinne shed a nemny to Sin on Irish currency influences, but Manders attracted speculative support and put on 6 In 1530.

ICI traded ouletly around the

market, put on 5 to 173p. Allied Colloids lacked support and shed 4 to a 1980 low of 100p, but Anchor Chemical improved 2 to

Owen Owen wanted

proved 3 to 210p after the official 2 to 59p, the lower first-half performance. Aurora came on the prospect of increased oll close, while Rentokil, in a thin profits being outweighed by the offer at 2Sp, down 3. Dealings in prices at the December OPEC market, put on 5 to 173p. Alled confident remarks oo the out-



encountered selling following an institutional meeting with the Lonrho were unchanged at 115p, company; the shares touched 80p afler 113p. Other leaders hefore closing a net 4 easier at 86p. Comment on the interim attracted useful support at the outset hut follow-through interest was lacking and gaios results prompted a further fall of 5 to 36p in Fidelily Radin, were restricted to a couple of pence. GUS "A" added 2 at while profit-taking clipped 35 from Wholesale Fittings at 235p. 485p, but Mothercare shed that much to 250p. UDS, 73p, reverted to unchanged on news Highland declined 4 to 34p as did MK to 22Sp, while Wehher dipped 5 to 127p. Snny, on the that two of its menswear chains, John Cellier and Alexaodre, are other hand, improved 35 to 615p. Ferranii put on 8 to 453p and Security Centres appreciated 5 jobs. Kean and Scott continued to make spectacular progress Weeks Associates cheapened 2 following Wednesday's proposed to 8p on the interim dividend rights issue and jumped 25 for a two-day gain of 60 at 1750. omission and 6rst-half deficit. Other speculative counters to attract support included Cornell Elsewhere in mixed engioceriogs, Hopkinsons eased the turn to 55p following the uninspiring Dresses, 4 np at 92p, and Owen Oweo, which spurted 6 to 122p. Polly Peck, on the other hand, half-year results and Richardsons Westgarth gave np 2 more met profit-taking and eased 5 at 1680. MFI, also a 6rm market for a two-day reaction of 6 to Day continued to henefit from favourable mention and gained the turn to 27½p. J. Henworth firmed 5 to a 1980 high of 100p.

on reflection of the oroperty

Standard Telephones and

Cahles became a firm counter in Electricals, rising 15 to 493p on oewa of the £100m undersea telecommunications cable orders. Early business among Stores was dominated by House of Fraser which touched 146p on renewed speculation of a bid from Lonrho; following a dental from the latter, however. Fraser fell back steadily and eoded just Thorn EMI moved up 3 to 358p, after 360p, following details of its joint video disc production venture. GEC added a similar amount to 570p and Plessey hardeoed a penny to 269p. Having reported disappointing first-half figures last week, Berec Thorn EMI moved up 3 to 358p,

Stratrite were suspended at 42p at the company's request pending a further appoincement. Foods encouniered a good twoway business. Associated Dairies

shed 4 for a two-day fall of 10 to 232p oo the chairman's profits warning, while J. Sainsbury, a good market of late in front of the interim results due to be announced November 5, eased 5 to 585p. Lennoos added 3 to a 1980 peak of 44p following favourable Press comment. Elsewhere, Chambers and Fargus touched 47p before reverting to 45p; Mr. Harvey Michael Ross has increased his stake in the company to 12.9 per cent. Bernard Matthews attracted fresh aupport and, in a thin market, put on 10

Io Hotels and Caterers, Graod Mctropolitan shed a penny to 165p; Mr. Maxwell Joseph has sold approximately 10 per cent of his holding in the company at that price. Ladbroke met late selling and shed 6 to 233p, while Prince of Wales, at 72p, gave np 3 of the recent speculative gain

Bowater easier

A good market of late. Bowater reacted 6 to 178p among narrowly mixed miscellaneous industrial leaders. Elsewhere, Jardine Matheson recovered 27 to 255p nn news of the £78m deal with Hong Kong Land. Hopes of an increased hid from Transport Development helped Giltspor harden 2 to 117p, after 119p. William Press put on 11 to 304p on the hetter-than-expected interim profits, while improvements of around 5 were seen in Anglo American Asphalt, 320, William Baird, 186p, Ricardo, 505p and Rolfe and Nolan, 74p. Renewed support was evident for selected Leisure issues, Saga

rising 9 to 2120 and Horizoo Travel adding 5 to 365p. On the other hand, Boosey and Rawkes shed 2 to 120p on poor interim results. Properties made modest pro-gress in places, the unchanged

Minimum Lending Bate decision being as expected. Lan dSecurities hardened 2 to 394p and MEPC a penny to 240p, while Stock Conversion 6rmed 3 to 325p and Great Portland Estates 2 to 238p. Interest was shown in Daejan which added 2 to 162p, but Rush and Tompkins shed that 36p on further consideration of much, to 228p, o nthe chairman's

demaod for Olls, Brish Petroleum 474p. Lasmo and IC Gas were and both closed 17 higher at 883p and 350p respectively.
Trusts were mixed. Selected

and Dualvest Capital 5 to 425p. Amoog Financials, investment support lifted Hambro Trust 7 to 138p, while Anthority Investmcots rose a similar amount to

points of £25.

Coats Palons, down to 534p Immediately in front of the announcement, rallied to close a net 11 to the good at 561p fol-lowing rellef that the interim dividend was maintained A of next month.

buoyant. A steady performance by the bullion price, good overnight American demand and a shortage of stock pushed share prices ahead for the funrth con-

Among the medium and cheaper-priced issues, Kinross were 32 tn the good at 758p and ERGO 21 up at 676p.

The strength of Golds encourants aged support ipport for South Financials where African

man's statement. hroad front following a strong performance by overnight Sydney

South African Gnlds remained

Heavyweights were featured hy which rose £11 more to £45.
President Brand gained almost a point to £297 and Doornfontein added 1 to £121.

rising 6 to 484p and Shell 8 to Caiptal issues remained firm, Derby Capital rising 131 to 322p

Golds buoyant

"Amcoal" gained | mnre tn a year's high of £15, GFSA i to £45 and "Johnnies" i to £37i, lhe last-named shead of the chair-Australians moved ahead on a

and Melbourne markets. Leeding issues were par-ticularly in demand with MIM Holdings 12 hetter at 273p Inco BEERS (1) reflecting its Increased holding Macallan-Glonlivet

Buying in an exceptionally narrow market ahead of Mon day's half-timer lifted Graig 2

sympathetic response left Courtanids 3 up at 66p; the interim results are expected at the end

secutive day.
The Gold Mines iodex advanced 13.3 more to 516.8—a rise of 59.0 on the week so far. Western Deep which jumped £24 to £324. Randfuntein, which put on £13 to £454 and Hartebeest

Government Sect 71.50' 71.42 71.53 71.71 71.55 71.25 69.31 Fixed Interest....... 72,29, 72.30 72.36 72.30 72.48 72.49 70.61 492,6 493.2 095.5 496.1 495.5 492.5 446.7 7,58 7,38 7,66 7,56 7,87 7,41 7,66 Earnings, Yld. & Hull 15.59 16.68 15.53 16.64 16.66 16.75 18.67 PIE Ratio (not) ("L.... 7.51 7.51 7.34 7.65 7.32 7.28 6.57 Total Bargains 20'779 22,451 21,780 22,537 23,733 22,234 15,53& Equity turnover £m.. — 140.69: 140.48 131.65 166,92 199,51 86,68 Equity bargeins total ____ 19,204; 18,200, 17,631; 19,844; 90,276, 11,75g 10 om 493.2. 17 am 493.7. Noon 493.5. 1 pm 493.5. 2 om 493.5. 3 pm 493.7. Latest Index 01-246 8028. *Nii = 6.91. Baolo 100 Govt. Seco. 15/10/26. Fised Int. 1928. Industrial Ord. 1/7/35. Gold Minos 12/9/55. SE Activity July-Dec. 1942. S.E. ACTIVITY HIGHS AND LOWS Since Compliat'n 1980 High ' Low : High | LoW

72.54 : 63.85 | 127.4 | 49.18 | Industrials ... | 121/7 | 17/8 | 18:1-36 | 13:1/8 | Speculative.

(24,7) (10:51 | 128/111-11 | 14:51 | 14:51 | 15:51 | 14:51 | 14:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 15:51 | 1

64.70 150.4 50.55

io the Oaky Creek coal project in Queensland. In Golds, Kitchener Mining

opened at 393p hut met profit-takings and colsed a net 15 dawn at 375p following the drilling results from the Bamhoo Creek gold prospect in which it is in

partnership with CRA.
Other Golds made gond progress with Poscidon 11 firmer at

The Rundle twins extended their recent gains with Central Pacific another 15 in the good at a year's peak of 500p and

Southern Pacific 12 ahead at Speculative interest lifted Jones Miniog 5 for a rise of 22 to 70p over the past four days. Tins gained ground following good gains in far eastern

CHEMICALS 121 Allied Collects ELECTRICALS 136 ELECTRICALS 137 Eurotherm Intl. Mainnine Elect 129e **NEW HIGHS AND** Euratherm Intl. Maintine Elect Highland Electronics. Pro Prof. ENGINEERING (\$1 Acrow Aurora Higgs Wolselm, Hughe LOWS FOR 1980

NEW HIGHS (103)

NEW LOWS (25) AMERICANS (1)

CANADIANS III

RISES AND FALLS YESTERDAY ... Nils Plantalions

Control (Chas.)

INDUSTRIALS (9)

Rentson, Clark
Bodracet Intil
Crasby Woodheld
Durnbil (A.1

Watson (R. Kelein)

MOTORS [2]

Slucmel Zros. MOTOKS 121 A OVERSEAS TRADERS (1)

good Traded options business in overnight level of 3350 hefore revaluation which accompanied the former which contributed drifting off in close 4 cheaper on the slightly better-than-expected FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Flanncial Times, the Institute of Actuaries

EQUITY GROUPS			nur.,	Uct. 3	0, 19	80	0cL 29	0ct. 28	0ct. 27	0ct. 24	(stabuar) 980 Acm
790	& SUB-SECTIONS ures in parentheses show number of stocks per section	isatex No.	Day's Change %	Est. Exminge Yield % (Max.)	Gress Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	index No.	jadex No.	kodenc No.	Index No.
1	CAPITAL 600BS (171)			15.02	5.64	8.09	293.56	294.44	293.71		218.14
2	Building Materials (28)	249.54 428.61		19.06	. 6.E7	6.23	250.10	250.33	249.72		215.99
4	Contracting, Construction(27) Electricals (17)	952.85		21.22 10.27	5.84 2.83	5.56 11.96	429.31 946.68	423.06 949.62	947.33	425.61	349.63
3	Engineering Contractors (11)	363.76		17.02	7.10	7.49	363.26	363.23	362.62	947.72 358.45	546.04 298.78
6	Mechanical Engineering (72)	181 14		15.98	7.37	7.43	181.47	182.68	182.11	181.79	146.91
8	Metals and Metal Forming(16)	152.34		19.16	10.74	6.51	152.41	153.51	152.97	153.53	150.97
11	(BURASLE) (48)	249.85		12.86	5.83	9.31	248.62	248.52	248.42	246.59	211.22
12	Lt. Electronics, Radio, TV(14)	393.70	+0.3	9.66	3.51	12.59	392.55	390.42	369.41	385.58	297.59
13 14	Household Goods (13)	88.69 93.12	+63	25.45 23.19	10.85	4.97	93.45	\$8.53 95.25	95.99	96.10	129.97 102.86
21	(HON DURABLES) (171)	246.41	-0.2	36.54	4.56	7.30	265.20	267.74	246.35	244.68	219.60
22	Breweries (14)	290.99	-0.3	36.12	6.55	7.24	281.73	282 36	282.61	271.52	265.18
23	Wines and Spirits (5)	291.57	-0.9	21.60	7.04	5.59	294.64	295.80	278.36	297.58	314.75
24	Entertainment, Catering (17)	363.82	0.6	16.08	6.19	7.67	363.88	364.7B	362.41	357.64	304.89
25	Food Manufacturing (22)	215.01	-0.1	18.50	7.10	6.38	215.23	216.45	217.42	236.69	199.31
25	Food Retailing(13)	411.67	0.6	11.55	3.76	10.26	414.27	416.61	406.91	399.39	289.62
芝3334	Newspapers, Publishing (12)	444.61	-13	22.24	6.54	5.88	444.78	46.67	46.49	442.19	398.12
23	Packaging and Paper (15)	124.08 256.78	-0.2	26.02	10.43	11.07	125.76 257.18	125.72 257.59	126.78 253.83	125.89	120.54
35	Stores (44)	131.86	+14	23.76	11.62	5.13	129.99	130.59	130.51	252.55 128.55	212.98
36	Tobaccos (3)	221.51	+11	25.91	10.51	439.	219.03	222.00	222.00	Z20.71	229.27
37	Toys and Games(5)	25.84	_	0.78	11.19	26.57	25.84	25.26	25.26	24.82	53.67
41	OTHER SROUPS (98)	223.76	01	25.58	6.99	7.69	224.00	225.34	225.29	222.85	190.33
42	Chemicals (25)	303.49	-0.6	17.47	8.01	6.69	305.22	308.06	307.76	303.70	278.22
43	Planmaceutical Products (7)	229.92	+0.6	10.92	6.09	11.33	223.49	229.67	230.31	228.87	206.03
44	Office Equipment (6)	108.75 579.51	-0.8 +0.2	18.90	7.65	9.63	199.59 578.15	118.00 580.82	119.23 580.77	107.25	107.79
46	Miscellaneous (60)	285.37	01	16.19	451	7.54	285.63	265.69	286.04	579.17 283.28	444.58 224.85
19	PADUSTRIAL CROUP (488)	260.07	_=	15.64	629	7.72	250.97	261.95	261.10	259.55	212.22
51	0% (12)	1018 93	+1.6	23.66	518	471	999.99	994.65	974.13		735.22
\$	SOD SEASE UNDEX	320.50	+0.4	17.62	6.61	6.66	319.35	379.23			259.17
72	FMANCIAL CERTIP (118)	259.10	-0.5		5.07		26132	250.37	2316	255.09	178.62
62	Barto(6)	268.09	-1.3	38.11	6.28	3.14	271.75	267.32	253.23	258.94	207.25
63	Discount Houses (10)	301.26	+0.1	_	5.71	-	300.92	300.42	299.05	300.23	235.99
64	Hire Purchase (5)	240.25	-0.4	10.33	4.20	13.07	241.20	242.35	262.08	237.84	172.62
65	Insurance (Life) (10)	268.19	-0.5	-	4.92	-	269.76	272.22	276.98	268.66	144,16
66	Insurance (Composite) (9)	174.84	-1.0		6.49		176.53	177.96	174.28	173.32	215.69
67	Insurance Brokers (9)	343.35	+0.1	13.42	6.73	10.21	3/3.15	341.98	36978	337.80	252.24
68 69	Merchant Banks (13)	163.47	+11		4.65		161.69	161.27	158.73	156.95	91.82
70	Property (45)	472.25 147.38	+9.3	3.65	2.59	45.59	471.01	473.46	471.64	468.96	332.41
7		297.09	-05	15.49	5.75	8.16	167.42	164.83	167.31	164.50	116.31
81	Investment Trusts (109)	277.15	+0.5	12.82	4.96	9.29	293.64 275.46	271.55	294.04	259.83	19497
ᅘ	Overseas Traders (20)	455.93	-8.2	10.99	655	10.99	457.85	45157	273.68 448.64	270.43 457.32	137.73 323.21
岃	ALL-SHARE INDEX(750)	309.68	+0.1	20.77	5.75					光虹	
		-47.00	TWO	_	3.73	_	-87-48 I	JUT 3.33	قداند		4337

	FOLES	HTERE	ST PRIC	E 1101	CES		FDCED INTEREST YELDS British Gost. Av. Grass Red.			Wed, Oct. 29	(shb.orr) sdo Ace.	
British Government		Thur. Oct. 30	Day's change %	Wed. Oct. 29	xd adļ. today	nd adj. 1990 to date	1 2 3	Low Coupons	5 years	11.48	11.48 11.45 11.46	11.25 11.54 11.36
1 2	Under 5 years	196.67 113.67	+0.62	186.65	-	8.78 18.68	4 5 6	Medium Coopees	5 years	13.10 13.69 12.82	13.06 13.05 12.79	13.65 13.65 13.63
5 4	Over 15 years	119.60 131.75	-0.12 0.92	119.81	-	11.97	7 8 9	fligh Coupons	5 years	13.10 13.33 13.00	13.25 13.29 12.99	13,42 13,69 13,28
5_	All stocks	113.65	-0.10	113.16	·	38.59	10	liredeemables.		11.01	11.00	11.66
						i						

	Index : Yield No. %	Wed. Tud Oct. Oc 20 23	Mon. t. Oct.	Friday Oct. 94	Thurs. Wad Oct. Oct. 93 99	Tues. Oct. 91	Year ago (approx)
15 20-yr. Red. Deb. & Loans (15) 16 Investment Trust Prefs. (15) 17 Coml. and Indl. Prefs. (20)	1 50.86 13.32	50.85 50.	5 50,a5	50,9a; (01,0a 51,0	a - 51.05	46,41

† Rodomption yield. Highe and lows record base detos and values and constituent changes are published hurday issues. A list of the constituents is available from the Publichers, the Figancial Times, Gracken House

ACTIVE STOCKS

	!	420			~~~			
			No.					
	· De	nomina	- of	Closing	Change	1950	1980	
	Stock	tion	marks	price (p)	on day	high	low	
i	Clyde Pet	£1	17	365	+15	865	230	
	Edinburgh Secs.	25p	12	318	÷ 4	318	100	
	New Court Nat	5p	10	93	– 1	94	32	
	Cambridge Pet	20p	9	360	+10	380	165	
	BP	25p	7	484	+ 6	484	320	
ı	Burmah Oil	£1	7	208	+ 7	249	162	
ı	LASMO	25p	7	883	+17	885	3 3 7 ·	
i	Premier Cons	5p	7	114	– 2	116	36	
I	Rank Org	25p	7	184	- 2	228	146	
ł	Shell Transport	25p	7	474	+ 8	474	314	
ı	Assoc. Dairies	25p	6	232	- 4	244	160	
ł	Barelays Bank	£1	Ğ	475	- 5	482	327	
١	De Beers Defd	RO.05		514	+ 6	553	368	
۱	Royal Dutch	F120	6	£41‡	+ 1	£424	£32	
ţ	Tesco Stores	5p	6	53	+ 1	75	52	
1	A COLU DIVIED	Jp				,		

Deal- Declara- Settlelngs lngs tinn ment Oct. 20 Oct. 31 Jan. 22 Feb. 2 Nov. 3 Nov. 14 Feb. 5 Feb. 16 Nov. 17 Nev. 28 Feb. 26 Mar. 9 For rate indications see end of Share Information Service Call options were completed Lonrhn, Charterhouse Petro-

perties. FNFC, Donble Eagle Charterhall, Lasmo, May and Hassell, Amalgamaled Estates Allied Colloids, Australian Con solidated Minerals, Chloride, Woodside, Teseo, Raglan Properties, Silvermines and Cultus Pacific. A put was transacted in Tesco, while doubles were in Premier Oil, Hampton Trust, arrenged in BSG, Town and City leum, Dunlop, John Brown, Christopher Moran, BP and Mysen, Town and City Pro- Cons. Gold Fields.

RECENT ISSUES

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EQUITIES

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"RIGHTS" OFFERS

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UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

nai Pacific law, Mignet. Ltd.

M & G Gretin
Three Queys, Tower Hill EC3R 680, 01-626 4568
Atlantic Oct. 29, US\$7.48 7.72
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Gold Ex. fac. Oct. 29, US\$7.5 75.00
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(Accum Units) 240.5 25.9 +0.6 3.90

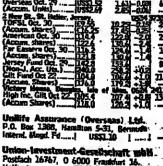
Nat. Westminster Jersey Fd. Mgrs. Ltd. 45 La Motte St., St. Heller, Jersey 0534 36241 High Income Fund 17.4 49.00 12.24 Equity Fund 25.5 62.0 313

Providence Capital Life Ass. (C.L.)
PO Box 121, St Peter Port, Guernsey 0481 25
Sterling Bond Fd. 50.4 529
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Schroder Mingt. Services (Jersey) Ltd.



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FINANCIAL TIMES

Friday October 31 1980



Treasury favours adherence to 14-month aim in spite of M3 growth

Re-based monetary target unlikely

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

likely to retain its present financial strategy, monetary target until next year The decision rather than seek a partial relaxation of the current squeeze by re-basing the target at the current high level.

The retention of the current target is favoured by Treasury Ministers and officiala most directly concerned with mouetary policy, though a final decision has not yet been takeo. An aunouucement will probably not be made until the expected general economic statement to-

wards the eud of next month. The issue is being watched closely by City financial markets, and the likely decision will be presented as a re-ammination of February, the underlying the Government's commitment growth rate is still estimated presented as a re-affirmation of

regular balf-yearly review of the target is particularly difficult in view of the recent rapid monetary growth and the distortions caused by the ending of the corset controls on the banks' operations.

The current target is for a 7 per ceut to 11 per ceut annual rate of increase in sterling M3, the broadly defined money supply for the 14 months from last February to next April. But in the seven mooths to September the jucrease was 231 per cent at an annual rate. Even if some adjustment is made for corset distortions arising before

its target at the current level, it would be building the recent excess growth into a higher starting base. This acceptance of past excess, known as base drift, would amount to a relaxa-

base and try to reduce the 1982, as is implied in the underlying rate of monetary medium-term strategy. underlying rate of monetary growth nearer to the target

Reagan adviser resigns

over business charges

GOVERNMENT looks to the targets in its medium-term by the Treasury at 19 per cent to retain its present financial strategy.

The decision about tha If the Government followed latter part of 1980-81 because of too cumbersome. previous practice and re-based a moderation in both public and private sector borrowing. This belief is shared by the Bank of

> Even on the most optimistic assumptions the underlying rate of monetary growth still looks tion of policy.
>
> Treasury Ministers believe end of the rauge by next April.
> this would produce charges of But the hope is that any excess this would produce charges of But the hope is that any excess fudging and would question the will be much smalle rthan now credibility of the strategy. and that it will then be possible Consequently, they prefer to move to a 6 to 10 per cent retain the present February target annual jucrease for 1981-

> The main alternative to retainrange by next April.
>
> Sir Geoffrey Howe, the Cbancellor said on Monday that he target to a 20-month period to

Sir Geoffrey indicated on Monday that the final decision on the nature or timing of the roll-forward of the target will not be taken until "a little more information" is available about the development of monetary couditions since July.

In particular, officials are already starting to scrutinise the October mouetary figures, due to be published next Tues-day. City analysts have in the past week become more pessi-mistic about the figures, in view of the distortions on the sta-tistical reporting day. The increase in sterling M3 last month is estimated at between 1 and 2 per cent.

Visa in travellers cheque link with TSB

By Alan Friedman

VISA, THE international founded to co-ordinate credit card acceptability, is expand-ing its UK iravellers cheque operations through the Trustee Savings Bank, TSB, already a member of Visa International, is to issue its own sterling cheques from

monday.

The travellers cheques, which will carry the TSB logo and the blue, white and gold Visa symbol, will be available in denominations ranging from £10 to £100 at 1.600 TSB branches in the UK.

Mr. Tom Bryans, chief general manager of TSB Central Board, said the scheme would be administered by the Central Trustee Savings Bank on behalf of the TSE group, "The de-cision to become an issuer of its own travellers cheques is in keeping with the rapid development and expansion of the group's hanking services."

The move by TSB follows a similar one from Barclays

Bank last January. Both UK banks have joined the Visa group in a worldwide battle for a share of the travellers cheque market, estimated by Mr. Bryans of TSB to be worth more than

When Visa launched its attack ou the world market last year it announced bopes of achieving an initial 10 per cent market share worldwide by persuading at least one leading bank in every major

country to issue its cheques: American Express is acknowledged to be the world market leader in travellers cheques with a share in excess of 50 per cent.

UK TODAY

DRY with sunny periods, early England, Channel Islands,

SW England, Wales Mainly cloudy. Max.

(50F).
Outlook: Mainly dry and sunny. Rain in some places.

WORLDWIDE Y'day

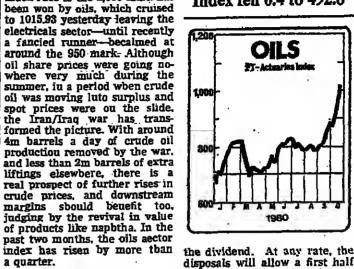
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Index fell 0.4 to 492.8

THE LEX COLUMN

Cash constraints

at Coats



The F.T.-Actuaries

Coats Patons

Coats Patons has taken a leaf

sterling stays at present levels.

Abroad, volume has been broadly maintained, and price

achieved last year.

index race to the 1,000 mark has

the dividend. At any rate, the disposals will allow a first half increase in net debt to be unwound by the end of the year and prevent any further rise in the interest charge, although the company warns that it may find Itself facing a clawback of out of the book of some retailers and is resorting to sale and leaseback deals to shield its proatock relief. Pre-tax profits for the year may be about £52m. excluding property gains, producing a prospective p/e of 7½, fully-taxed, aupported by a yield fit and loss account from the worst ravages inflicted by sterl-ing. The appreciation of the pound so far this year bas reduced first-balf trading profits of 101 per cent.

Menswear-

by £7.3m, solely on currency translation, and the full year effect will total about £11m if J. Hepwortb's results for the Under this pressure, a £4.4m year to August may be distinctly decline in pre-tax profits to £26.7m at the halfway atage underlines a resilience that few lack-lustre—pre-tax profits are down 13 per ceot to £5.7m—but they stand out like a beacon of other major UK textile com-panies will display this year. The share price rose 11p yester-day to 561p. light compared to what is going on elsewhere in the meanswear sector. Yesterday also brought news of the closure by United Drapery Stores of 110 menswear Nevertheless, excluding the surplus of perhaps £11m on stores, about a quarter of the outlets of the John Collier and Alexandre chains, which are to be merged. Meantime there is considerable speculation in the property disposals, pre-tax pro-fits this year will be running at only three-quarters of the 1978 level and two-thirds of that in City about the forthcoming re-

rises bave improved trading margins in local currency terms. But in the UK there has been Certainly Henworth's figures and Japan. It is also making show a deterioration in the intensive clinical trials on its a sharp volume decline in the April-June quarter, and the percentage of trading profits second halt, with sales (exclud- ati-uler drug, Rantidine, which ing the W, and E. Turner acqui- are said to be going well. from this source is now running sition) up only 5 ner cent exwell below the 22 per cent VAT, against a fixth in the first development expenses in the half. The overall profit nicture U.S. will last for another year is confused by the consolidation or two, and will ultimately of Turner for four months, coin-So with a tax charge threatening to exceed current cost of Turner for four months, coin- "change profits, a rising proportion of ciding with a sharp but tem- group." Advance Corporation Tax that porary jump in interest charges do well to show much improvecannot be offset, and profits before the purchase was refinement this year. But contrary to remaining hard to remit from anced out of the oroceeds of recent stock market rumour, its

with a deteriorating tradlog trend relieved only by some healthy hargain-hunting at the

July sales. Since August, apparently, demand has continued to weaken right across the country. Hepright across the country, hep-worth does enjoy a few advan-tages this year, in that it will be getting the benefit of loss climination on the manufactur-ing side, while it may be able to increase market share as rivals like UDS pull out, and Turner will contribute for a full year. Barring a recovery in coo-sumer confidence, however, it is sumer confidence, however, it is sumer confidence, however, it is hard to see Hepworth avoiding another profits fall this year. So the main reason why the shares have hit a 1980 high and yield just 5.6 per cent at 100 is that British Land is prowling that british a state of just junder

iug with a stake of just under 5 per cent. Its intentions are unknown but Hepworth's net worth at book values, is around 1800

Glaxo

Glaxo's accounts show that the return on capital last year: slipped below 20 per cent for the first time in at least a decade, and its pre-tax margin on sales of 10.7 per cent is also lower than for a very long time. It is also investing heavily in fixed assets and product development. Capital speuding last year exceeded the current cost depreciation charge by 45 per ceut, research and development costs rose to 81 per cent of sales (up from just over 6 per cent two years ago), and a lot of money is being poured into the U.S. to expand the group's rather small base. In common with other phar-

maceutical companies. Glaxo's high returns of the mid-1970's are beginning to look little more than fond memories, as product development costs become more onerous. But some measure of sults of Burton Croun (also for recovery should be possible over the year to August) with a the next few years, tilaxe is general expectation that Burton putting considerable resources. will have earned very little behind the kunch of some profit in the second six months. Important products in the U.S.

The chairman says that heavy Meanwhile Glaxo will some countries, the cash from sale-and-leaseback deals. But balance sheet does not look like the sale and leasebacks may the second half pre-tax figure that of a group which is about well come in handy to finance was down more than a fifth.

UDS plans merger of menswear chains

By David Churchill,

Consumer Affairs Correspondent THE UDS retailing group is to close 110 High Street shops, about a quarter of its total number of menswear stores, with the loss of 500 jobs.

It also plans to merge its two separate menswear chains, Jobo Collicr aud Alexandre, which will in future trade solely uoder the uame John Collier. Io Scotland, the trading name Claude Alexauder will also be replaced by John Collier.

The main shopworkers' union, the Union of Shop Distributive and Aliled Workers, said last night it was "very concerned" at the move and planned urgent talks with management to find ways of reducing the number of

But the company's decision to reduce its commitment to menswear retailing caused little surprise in the retail trade past year for retailing in general and clothing in particular. given the problems over the

from £10.04m to £2.05m with about £3m of the fall due to depressed demand for clothing.
The menswear division is

understood to have made a trading loss, while the womenswear side of the company only managed to break even.

The company's problems which have been shared by its high street competitors Burtons and Hepworths, have mainly been due to the sharp slump

in sales this year. The latest official Covernment statistics for menswear sales. covering the second quarter of the year, show that some 582,000 suits were sold, compared with 772,000 in the first quarter of

The hefty 7 per cent VAT increase in June of last year pushed up prices in the clothing trade and started to depress demand. Also the mild winter and cold summer weather over the past year has meant that the wroug type of clothes have been on offer. This year's recession has taken a further toll. Chcap imported suits have added to the hurden on UK clothing manufacturers. Last year the total number of suits imported to the UK rose by over a fifth to 2.6m. Some, notably from Romania, sell for as little as £10 which is less than the

facturers.
The industry's problems have led to substantial clothing factory closures and job losses. UDS closed its Middleshrough factory at the beginning of the year with the loss of \$50 jobs. Hepworth results, Page 24 aud

of hormones to promote growth

in farm animals for human con-

The move follows consumer

boycotts in Italy, France and

Belgium this autumn of meats

suspected of containing bor-

mones, especially yeal, and the

subsequent decision by EEC

Farm Ministers at the end of

September to instruct the Com-

missiou to prepare proposals on

the issue by the end of the year.

by EEC farm ministers, could

Natural and synthelic bor-

intensive cattle and poullry

sectors (though synthetic hor-

The ban would give a severe

the livestock industry.

The proposed ban, if endorsed

the European Commission.

cost of materials to UK manu-

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON MR. RICHARD ALLEN, chief of a subsequent consulting job. entourage. It is likely to domi-foreign policy adviser to Mr. It also noted that Mr. Allen uate, for a critical day or two, Royald Reason and a candidate was still being retained as a news coverage of his activities Ronald Reagan and a candidate consultant by the Japanese and put him, and his staff, company, Nissan, pareut of inevitably on the defensive at Datsun, at a time when the precisely the moment when they

for the national security adviser's job in any new Republican Administration in the U.S., yesterday resigned his campaigu post in the wake of concern bere. allegations of past and present conflicts of interest involving his private business activities.

Mr. Ed Meese, Mr. Reagan's chief of staff, said that Mr. Alleu was withdrawing "to remove this matter as a possible issue in the campaigu." Headded that Mr. Alleu retained "the full confidence" of the Republican challenger. Mr. Allen has said the accusations against him are "shot through with holes." with holes."

The trigger to Mr. Allen's decision was clearly an article in Tuesday's Wall Street Journal, This amplified earlier charges about Mr. Allen's coupast year for retailing in general and clothing in particular.

Last month UDS reported interim pre-tax profits down from £10.04m to £2.05m with information about U.S. trade campaign could be blunted by policy in return for a promise the first taint of scandal in his

level of Japanese car imports in the U.S. was causing political

It is the timing, rather than the substance, of the Allen case that may be unfortunate for Mr. Reagan's campaign. There is no suggestion that Mr. Alleu's problems, any more than the much more publicised case of Mr. Billy Carter, the President's brother, will affect electoral opinion when the nation votes

on Tuesday. But Mr. Reagan emerged from Tuesday's televised debate with President Jimmy Carter in an upbeat mood, apparently convinced that the Presidency was in his sights. He has taken off arross the country, hammering home bis attack on the Presi-

need to attack.

Mr. Carter and his adept cam-

paign team will uudoubtedly not let pass the opportunity to suggest that this raises doubts about those with whom Mr. Reagan surrounda himself—aud therefore the candidate's own

judgmeut.
Yesterday, campaigning in
Texas, Mr. Reagan's staff insisted that Mr. Allen's departure made no difference, since alternative foreign policy advice was not in short supply. The candidam tried to turn

fhe tables by accusing the Carter Administration of wrongdoing of its own. He said that once again the President bad "Jimmied" economic statistics by delaying publication, until late en Wednesday, of the news that the Federal Budget deficit in the fiscal year had been \$59bn (£24,2bn), the second highest on record.

Wall Street and the Election, Page 30

BL pay deal Continued from Page 1

They may dispute BL's luter workers who tend to be in the pretation of the voting results. but they will be conscious that the workforce is divided.

The traditionally militant contrast, Longbridge, where the successful Metro is assembled, and Cowley, which this week lcarned it was the site for the new middle range car, the LC10, voted for action.

Sir Michael, who earlier this year rode out a strike by more than 20.000 workers which hrought nearly all car asaembly to a halt, can be expected to exploit the situation.

A key factor is likely to be the attitude of the Amalgamated Union of Engineering Workers. Mr. Terry Duffy, the president, expressed "disappointment" yesterday that no agreement had heen reached. "We are concerned for the gravity of the position at Leyland but we will be waiting for a report back at the executive meeting next

While Mr. Duffy would not he drawn on the union's attitude, other unions fear the eugineers may be about to break ranks. percentage pay offer by BL gives a greater advantage to the highly-paid more skilled workers than to the production

Hormones are also used to

manipulate breeding patterns

sumption is being proposed by of dairy cows and sheep; but it some hormone-treated meat may

is not yet clear whether these

long claimed that hormone resi-

dues in food are a danger to

The recent scare bas mainly

mones, which presents the

greatest risk of residues remain-

ing in food for human consump-

behind the ear or in some other

The European Bureau of Con-

mones are widely used to sumers' Unions says that, in a the retention of extra water. In

cases of ahnormal growth in

mones are hanned in the UK). children were attributed with of up to 15 per cent. The ban would give a severe "near-certainty" to hormone. Pressure can be ex-

But they can also be

Consumer organisations have

applications would be affected.

BY LARRY KLINGER IN BRUSSELS AND RICHARD MCONEY IN LONDON

human health.

A COMPLETE ban on the use knock to profit margins.

have far-reaching effects for non-consumable area) or in ani-

slimulate animal growth in the recent Italian court decision

mal feed.

Transport and General Workera

There were significant indications of a possible breakaway by tons of a possible breakaway by the engineering union at yesterday's mass meetings. At the Swindon body components plant the 16,000 Transport Union members voted for a strike while the 1,000 Engineering workers opted to accept the deal. Similarly at the Cowley body workers at Rover cars. Solihull, the engineering union at yester-who expect to be on short-time day's mass meetings. At the at least until Christmas, Swindon body components plant rejected the strike call. By the 16,000 Transport Union

Similarly, at the Cowley body Any militaut action by the BL workforce would come at

a politically crucial time. This week Sir Michael submitted the 1981 corporate plan which calls for considerable funds from Government in addition to the £1bn already committed. Sir Micbael, as in the past,

might appeal over the heads of the union leaders to the workforce to report for duty, regardless of any strike call. In the background would be the threat that the corporate plan, which ensures greater job security, particularly at Cowley, could be withdrawn. Onr Labour Staff adds: Mr.

Duffy would not be drawn on the results of the meetings. much beyond saying he was disappointed that no agreement bad been reached.

Tha bureau also says that

The commission will present

to farm ministers, almost

certainly at their next council

meeting on November 10 and

11. a proposal that a ban on the

use of all hormoues, both syn-

It is also proposed that offences against the ban would

be punished by the confiscation

Hormones are often admini-

stered to farm animals to

increase their weight through

cent with a cut in feeding costs

Pressure can be expected on

there is a "suspicion" that

Total hormones ban sought by EEC

been over injection of hor thetic and natural, be imposed

applied as implants (usually and destruction of any affected

recent Italiau court decision calves, for example, weight hanning some veal products, can be boosted by up to 25 per

injected meat.

cause cancer.

from January 1.

live animals or meat.

Mr. Greuville Hawley, national eutomotive secretary for the TGWU. BL's largest union, said there was a "very strong pos-shility" that there would be

He agreed the position facing plant about 1,300 toolmakers the company was aerious, but held a separate meeting at he said: 'T'm aure that everywhich they voted to accept the one at these meetings has taken the position of the company into consideration before they put

their haud up to make a deci-Richard Evans, Lobby Editor, writes: Ministers suggested yestarday that the prospect of industrial disruption at BL would call into question the recent requests from the company for further substantial Government aid.

Mrs. Thatcher, questioned by MPs in the Commons yesterday on the strike threat, urged employees not to take industrial action at such a critical time for the company.

While Ministers refused to commit themselves ou tactics should a major strike take place, it was stressed that the company would have to stay on course if further Government mouey was to be forthcoming.

some Ministers from farm

organisations whose members

depend on bomone use to sus-

tain output with specific feed

costs. There ia also likely to be

opposition from some countries

which may feel that their own

national control schemes could

be replaced by a weaker com-

other pressure groups and the

commission say that, while most

member countries bave laws

controlling hormones, their rules differ widely on design of

the drugs and their application.

Furthermore, they say, the techniques for detection now

available are too costly except

In the UK, Meat industry

representatives said last night that they thought new rules on

munity compromise

for spot checks.

hormones would take

complexity of the issue.

Consumer-protection

Weather

Borders, Isle of Man Dry with sunny periods. Max.

(54F). SW Scotland, Orkney, Sbetland, Ulster Max. Cloudy. Drizzle. Max. 10C

Y'day

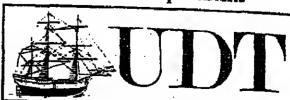
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